eden

Innovations that work.™

Annual Report

for the Year Ended 30 June 2018

CONTENTS

Highlights	2
Corporate Directory	3
Review of Operations	4
Directors' Report	14
Auditors' Independence Declaration	21
Consolidated Statement of Profit or Loss and Other Comprehensive Income	22
Consolidated Statement of Financial Position	23
Consolidated Statement of Changes in Equity	24
Consolidated Statement of Cash Flows	25
Notes to the Financial Statements	26
Directors' Declaration	41
Independent Auditor's Report	42
Additional Information for Listed Public Companies	45

HIGHLIGHTS DURING THE 2017-2018 FINANCIAL YEAR

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.*

EDENCRETE®

New Product Development

- Product development completed:
  - High concentration, lower cost EdenCrete®HC, and
  - EdenCrete®Pz for use in concrete made with pozzolanic cements.
- Encouraging performance achieved in extensive testing.
- NTPEP trials of both new products and ASTM trials of EdenCrete®Pz underway.

Georgia Department of Transportation (GDOT)

- FHWA approved use of EdenCrete® in GDOT federally funded repair projects.
- First federally funded repair project in Georgia to involve replacement of 11 lane miles (17.7 km) of pavement on I-16 using estimated US$0.525 million of EdenCrete®.
- State Funded Repair Projects – FY Ended 30 June 2018 - over US$390,000 of EdenCrete® required for these projects to 30 June 2018. US$150,000 worth has been completed, US$179,250 worth is in progress or due to start and the remainder of the projects are yet to start.
- Eden discussing with GDOT trials of EdenCrete® in bridges.

MARTA (Metropolitan Atlanta Rapid Transit Authority)

- White Paper prepared for MARTA detailing the improvements EdenCrete® delivered in laboratory results and 2 years' operational performance in the MARTA's 2016 EdenCrete® field trial that could lead to inclusion of EdenCrete® in suitable future MARTA projects.

Other Georgia Trials And Sales

- Follow up order for ultra-heavy wear and abrasion project received.
- Encouraging trials with Georgia ready-mix concrete company for possible infrastructure and coastal and marine applications.
- Commercial EdenCrete® sales in Georgia emerging.

Texas

- Further US$271,000 worth of EdenCrete® sold to the current TxDOT approved precast customer for use at two of its plants in TxDOT products.

Colorado

- EdenCrete® successfully trialled against a competitive product on an ingress onto CDOT State Highway 287.
- Town of Gypsum tested EdenCrete® on golf course bridges and plans further test on roundabout repair project as trial for Gypsum's Master Development Plan.
- EdenCrete® roundabout repair project on State Highway in Vail completed.

Other State DOTs

- Idaho DOT – EdenCrete® being trialled in full-depth concrete slab replacements on highway by Idaho DOT.
- North Carolina DOT – EdenCrete® is being trialled on a bridge with North Carolina DOT.
- Virginia DOT – EdenCrete® trial in concrete for a VDOT bridge in planning stage with VDOT.

New York

- Trials with both a large national ready mix concrete company and a large shotcrete company have taken place.

Korea

- Successful Korean government EdenCrete® trials.
- Agreement with Korean precast manufacturer – signed in July 2018.

OPTIBLEND® DUAL FUEL

- Sales of OptiBlend® units for the year totalling approx. A$600,000.

CORPORATE

- Two new US based directors appointed.

CORPORATE DIRECTORY

DIRECTORS:

Gregory H Solomon LLB (Executive Chairman)
Douglas H Solomon BJuris LLB (Hons) (Non-Executive)
Lazaros Nikeas B.A. (Non-Executive)
Stephen D Dunmead B.Sc., M.Sc., Ph.D. (Non-Executive)

COMPANY SECRETARY:

Aaron P Gates BCom CA AGIA

REGISTERED OFFICE:

Level 15
197 St Georges Terrace
Perth
Western Australia 6000
Tel +61 8 9282 5889
Fax +61 8 9282 5866
Email: mailroom@edeninnovations.com.au
Website: www.edeninnovations.com

SOLICITORS:

Solomon Brothers
Level 15
197 St Georges Terrace
Perth WA 6000

AUDITORS:

Nexia Perth Audit Services Pty Ltd
Level 3
88 William Street
Perth WA 6000

SHARE REGISTRY:

Advanced Share Registry Services
110 Stirling Highway
Nedlands WA 6009

STOCK EXCHANGE LISTING:

ASX Code: EDE (ordinary shares)

Quotation has been granted for all the ordinary shares and issued EDEO options of the company on all Member Exchanges of the Australian Securities Exchange Limited.

REVIEW OF OPERATIONS

During the year Eden made significant progress towards achieving its goal of having EdenCrete®, Eden's carbon nanotube-enriched concrete admixture, become a product that is widely used in the concrete market, particularly the huge US infrastructure market. Progress was also made expanding Eden's product range with the development of EdenCrete®Pz and EdenCrete®HC.

Whilst sales of the Optiblend® dual fuel system remained slow due to limited oil and gas exploration drilling taking place, nevertheless A$0.6 million worth of Optiblend® dual fuel systems were sold in India and the USA during the year.

EDENCRETE® (Eden 100%)

EDENCRETE® NEW PRODUCT DEVELOPMENT

During the year Eden completed the development and in-house testing of both EdenCrete®HC, a high concentration, lower cost version of the original EdenCrete®, and EdenCrete®Pz, a new product designed for use in concrete made using a combination of Portland cement and pozzolanic cements. EdenCrete®Pz is chemically different from standard EdenCrete®, with the only common feature being the presence of carbon nano-materials. All other components have been changed. Pozzolanic cements represent approximately 9% of all cement used in the US but because it generally comprises between only 15-40% of the total cementitious material in a concrete mix, pozzolanic cements are estimated to be used in 30-35% of all concrete produced in the US, making this a significant target market.

The year has seen significant progress in both the testing of EdenCrete®Pz in a range of commercial cement mixes from across the U.S. and its scale-up for large-scale production. A typical dosage of EdenCrete®Pz is far lower than that required for EdenCrete®HC, being in the range of 12-20% of the standard EdenCrete®HC dosage rate. The low dosage requirement makes EdenCrete®Pz both economical and very suitable for export purposes.

A selection of targeted high volume regional commercial pozzolan mixes has been trialled in the Eden Innovations laboratories in Denver and New York, where regional materials were shipped in and batching done in accordance with the regional procedures. The purpose of these laboratory trials has been to secure compatibility of the EdenCrete® products with targeted high volume regional mixes, find optimal dosages and be able to predict performance before going live in the field, and to greatly enhance the success rate of our field trials.

A further addition to the arsenal of mixes where EdenCrete®Pz also adds benefits is in some straight Ordinary Portland Cement mixes. Despite originally being specifically developed to target pozzolan mixes, significant positive effect has been found with EdenCrete®Pz in some regional straight cement mixes due to the chemical composition of certain cements.

A number of regional commercial slag, fly ash, and straight Ordinary Portland Cement mixes, from across the US, have been tested with EdenCrete®Pz and positive results of up to 30% increase in compressive strength have been achieved with relatively low dosage rates. Field trials have begun or are being planned for these successful trials.

Scale-up and transfer of EdenCrete®Pz from research and development to large-scale production capacity was successfully achieved. Throughout the development of EdenCrete®Pz over the past 18 months, the focus was on making a product which could easily be transferred to production and where all of the processes were easily scalable. This has now been achieved.

Further product development of a wider range of specialty variations of EdenCrete® for various specific specialist concrete applications is continuing.

Eden expanded its highly skilled and experienced product development team that now includes a highly qualified and experienced chemist, a chemical engineer and various concrete experts. The newly constructed, well-equipped product development facility within Eden's Mead Way plant includes both a chemistry laboratory, and concrete production and testing facilities.

ASTM Trials of EdenCrete®Pz

ASTM C494 "S" trials of EdenCrete®Pz have commenced at an independent laboratory and will take 12 months to complete fully, although earlier sales for some applications are anticipated as more results progressively become available. The ASTM specifications mandate that admixtures must be tested in a specified 100% Portland cement mix (i.e. containing no pozzolanic cement). To be successful in this ASTM trial, EdenCrete®Pz must simply not reduce the performance of the concrete when compared with the same mix that contains no EdenCrete®Pz. For the ASTM trial, EdenCrete®Pz was added to the mix at the rate of 18.5 ounces (0.55 litres) per cubic yard (0.7646 m3) of concrete.

Encouragingly, to date the results for compressive strength and flexural strength that have been received in these ASTM trials, show the strength of the concrete to which the EdenCrete®Pz had been added, to be greater than the strength of the standard mix.

NTPEP Trials of EdenCrete®HC and EdenCrete®Pz

NTPEP trials of both new products are to commence in early February 2018 at an independent laboratory appointed by NTPEP. These tests will take 12 months to complete. Successful NTPEP trial results should enable these new products to be approved for use by the various State Departments of Transportation that exclusively require the NTPEP testing process to have first been completed before approving any new product for use on their roads and bridges.

GEORGIA

FHWA approves use of EdenCrete® in federally funded repair projects in Georgia

The US Federal Highway Administration (FHWA) has approved the use of EdenCrete® in concrete used by the Georgia Department of Transportation (GDOT) in federally funded repair projects in Georgia (and to which FHWA contributes 80% of the costs). GDOT has advised that it expends an estimated $18 Million annually on federally funded concrete rehabilitation projects, involving the replacement of approximately 22 lane miles (35.4 km) of pavement.

GDOT already includes the use of EdenCrete in all state funded, full depth concrete slab rehabilitation projects in Georgia.

GDOT also advised that it invests an estimated $20 Million annually in state funded concrete rehabilitation projects, estimated to involve replacement of approximately 28 lane miles (45.1 km) of pavement.

In January 2017 EdenCrete® was added to the GDOT Approved Product List, and the GDOT specifications for the 24 hour repair mix for full depth slab replacements were amended to include the addition of EdenCrete® at 2 gallons/ cubic yard of concrete. The approval for use of EdenCrete® in GDOT federally funded projects followed a review in May 2017 by FHWA of the performance of EdenCrete® in the following projects in Georgia:

- the GDOT I-20 field trail (August 2015),
- the GDOT I -16 commercial slab replacement project (February 2017),
- the GDOT State Highway new concrete road pavement field trail (March 2017),
- the MARTA (Metropolitan Atlanta Rapid Transit Authority) field trial at a bus depot in Atlanta (May 2016), and
- a very heavy load bearing, high abrasion application on a hard-stand area at a large private factory (April 2016).

This initial FHWA acceptance in Georgia of the use of EdenCrete® in federally funded repair projects is a major advance in the EdenCrete® marketing programme and may assist in gaining FHWA approvals for use of EdenCrete®, in due course, in other States.

REVIEW OF OPERATIONS (Continued)

First Federally Funded Repair Project in Georgia

GDOT selected the first federally funded project in which EdenCrete® is proposed to be used, to be a full depth concrete slab replacement project on Interstate Highway I–16, involving replacement of approximately 11 lane miles (17.7 km) of pavement. The estimated EdenCrete budget for this project is ~US$525,000.

The contract for this joint GDOT/FHWA project, that included a number of additional performance requirements, was signed by the successful contractor on 6 July 2018 and must be completed by 31 March 2019. The performance requirements enable EdenCrete® to be used in this project. The first tanker load of EdenCrete® was dispatched to Georgia on 21 September 2018 and the project is expected to commence in early October 2018.

MARTA

At the request of the MARTA, a joint White Paper has been prepared by Eden and MARTA's consulting engineers, recording the results of successful laboratory tests and significant performance improvements delivered by EdenCrete® in the field trial undertaken by MARTA in May 2016 at the Atlanta Brady Mobility Centre.

This is an important step towards the possible inclusion of EdenCrete® in suitable forthcoming MARTA projects as it formally completes the successful field trial.

MARTA is the primary public transport operator in Atlanta, the sixth fastest growing metropolitan area in the U.S., with population that is expected to reach 8 million by 2020. MARTA operates a network of bus routes and a rapid transit system consisting of 48 miles (77km) of rail track with 38 train stations. It carries, in total, over 430,000 passengers per day, the sixth largest number of any U.S. city. A number of alternatives for expansion are being considered which could generate significant opportunities for the use of EdenCrete® in new projects. MARTA also undertakes considerable annual maintenance.

Follow-up Order in Georgia for Ultra Heavy Wear and Abrasion Project

During the year Eden received a follow-up order for 1,400 gallons (5,500 litres) of EdenCrete® for use in concrete at a railway wagon repair plant in Georgia, to replace approximately 4,100 square yards (3,428m2) of concrete hardstand area that is subject to significant wear and abrasion. This follows the successful performance of EdenCrete® enriched concrete in an earlier project undertaken at the same site in April 2016 and an earlier field trial undertaken in September 2015.

The project, at a major regional maintenance facility in Georgia owned by a large US company where very heavy steel components from a national rail fleet are repaired and maintained, took a month to complete and involved replacement of approximately 700 cubic yards of concrete to which US$35,000 of EdenCrete® was added at 2 gallons/yard3 of concrete (9.055 litres/m3).

The concrete section that was replaced in April 2016 was exposed to extreme rolling loads, impact loads, and abrasive wear, with a loading of up to 40,000 pounds per square yard that usually severely cracked the concrete and required frequent replacement. The new, far greater area of concrete that was recently replaced, will not be exposed to such a heavy loading, but will still be exposed to significant rolling loads, impact loads and abrasive wear. The use of EdenCrete® in the earlier project enabled the entire replacement section to be constructed with significantly reduced less materials and labour than would have been required for the alternative new ultra-high strength mix design, delivering a 45% reduction in the total costs of that project compared with the budgeted cost of carrying out the same work using the new ultra-high strength mix design.

Other Georgia Trials and Sales

On-going trials that are achieving positive results are being undertaken by Eden in conjunction with a large Georgia ready-mix concrete company that operates in a number of States, developing a number of suitable EdenCrete® enriched concrete mixes that could become the company's standard mixes for possible road and bridge applications as well as for coastal and marine applications.

Commercial EdenCrete® Sales in Georgia are emerging. Since the end of the year, Eden received an order for over US$20,000 worth of EdenCrete® for use in a new commercial building.

TEXAS

The concrete market in Texas is amongst the largest of all States in the U.S., with the two year budget for the Texas Department of Transportation (TxDOT) currently running at approximately US$28 billion. Texas has 52,561 bridges, the most of any State, of which 9,998 or 19% were classified by the US Department of Transportation in July 2015, as being "structurally deficient/ functionally obsolete", being the most bridges of any State in the US that were classified as structurally deficient/ functionally obsolete.

TxDOT has approved the use of EdenCrete® in two concrete mixes for Valley Prestress Products, Inc. ("Valley"), a major Texas pre-cast/pre-stressed concrete manufacturer, for use in bridge beams and other pre-cast products. During the year Valley agreed with Eden to extend the coverage of the first bulk, three year, EdenCrete® supply agreement entered into by Eden with Valley at the end of March 2017. Under the extended contract, in addition to supplying the main Valley plant, Eden agreed to supply two additional plants owned by Valley, subject to first developing concrete mixes incorporating EdenCrete® that are suitable for the range of pre-stressed and precast concrete products that each of the two plants will use to produce a range of products for TxDOT. A bulk delivery storage tank now has been installed at a second Valley plant. During the year over US$270,000 of EdenCrete® was supplied to Valley.

During the year, a trial of EdenCrete® took place with another TxDOT approved precast manufacturer for possible use in TxDOT bridge beams. The trial was successful and Eden is hopeful that it may lead to future orders from this manufacturer. Possible additional trials with other precast manufacturers are also currently under discussion. The overall progress in the marketing of EdenCrete® that has been achieved in the Texas since marketing began 18 months ago is considered very encouraging.

COLORADO

Significant progress is being made in Colorado on a range of commercial and infrastructure projects, particularly in relation to applications requiring reduced permeability and abrasion resistance that help minimise problems resulting from the multiple freeze/ thaw events in each year, abrasive wear from snow ploughs and chemical breakdown of the concrete from application of de-icing salts and road chemicals to concrete road and bridge surfaces, due to the cold winter weather conditions in Colorado.

Denver, at an altitude of 1,600m, experiences on average 300 days of sunshine annually, 155 days when the daytime temperature reaches 21 °C, and 157 days when the temperature falls to 0 °C or lower. This produces a high number of freeze/thaw events, when water in surficial cracks or in micro-pores within the concrete, repeatedly freezes and expands, progressively cracking the concrete.

CDOT State Highway 287 Project – First CDOT Project

In February 2018 EdenCrete® was trialled against a competitive product for compressive strength and abrasion resistance by Colorado Department of Transportation (CDOT), in the replacement of a street exit lane and an inlet lane onto State Highway 287 (see Figure 1. The relative performances of EdenCrete® of two EdenCrete® mixes and the competitive product (a surficial coating to the concrete) are being assessed in laboratory trials and monitored in the field over an extended period.

Figure 1. CDOT State Highway 287 Project

REVIEW OF OPERATIONS (Continued)

In the laboratory trials of the concrete used in the project, at the times specified in the ASTM testing standards, both EdenCrete® mixes (with different dosages of EdenCrete®), in all trials outperformed the reference concrete (i.e. the same concrete mix but without any EdenCrete®) and importantly, significantly outperformed the competitor (see Tables 1 and 2 below).

Table 1.

Compressive Strengths (psi*)

	2-days	**7-days**	**28-days**
Reference	2980	4250	5080
Competitor	3070 (3.02% better)	4160 (2.12% worse)	5290 (4.13% better)
EC @2 gpy**	3690 (23.83% better)	4950 (16.47% better)	6370 (25.39% better)
EC @ 1 gpy**	3470 (13.03% better)	4610 (8.47% better)	5950 (17.13% better)

* 1psi= 6.895 kpa ** 1gpy = 4.95 litres/m3

Table 2.

Abrasion Resistance (measured as % mass loss)

	28 Days
Reference	-7.2%
Competitor	-6.6% (8.44% better)
EC @ 2 gpy**	-4.6% (36.12% better)
EC @ 1 gpy**	-5.8% (19.44% better)

This encouraging start to an important field trial gives EdenCrete® its first direct exposure to a CDOT field trial in concrete used on a State Highway. The concrete will be exposed to the Denver climatic conditions; snow, the repeated freeze/ thaw events and resulting high levels of application of de-icing salts and road chemicals which cause both scaling of the concrete and corrosion of steel re-bar in the concrete when the salt permeates the concrete, as well as the use of highly abrasive snow ploughs that are used after heavy snowfall.

Relevantly, the competitive product is only a thin surface coating, and will only provide benefits until it wears through this thin layer, after which the standard concrete (i.e. the Reference) will then be exposed and the subsequent rate of wear will then increase unless a further coating of the competitive product is added, an expensive solution that would be disruptive whilst being carried out. The EdenCrete® is however evenly mixed throughout the concrete and is an integral component that will continue to deliver superior benefits until all the concrete is worn away down to the sub-surface layer, a most unlikely event under normal operating conditions.

CDOT – Other projects

CDOT is also planning to trial EdenCrete® in concrete pavement on snow-prone mountain passes on Interstate Highway I-70, to try and minimise snow tyre chain wear problems. This will be a new experimental programme for CDOT, which is particularly interested in the ability of EdenCrete® to increase both the density and durability of concrete. Its objective is to minimise both the annual maintenance costs and the extended time delays suffered by the travelling public from the frequent repair work.

Details of the project are yet to be determined and must be resolved before the trial will be approved. If positive test results are achieved, the potential to be written into CDOT specifications is probable, with a likely outcome of regular EdenCrete® sales. Because EdenCrete® is unique; funding support for this project may be available under the CDOT Road X Program and/ or the CDOT Surface Treatment Program. Negotiations are beginning, and proposals should be submitted to CDOT during 2018.

Denver public works – Follow up trials

Following positive results from 2017 trials, the Denver Public Works undertook a further trial of EdenCrete® in two sections of concrete pavement (see Figure 2) where use of significant quantities of de-icing salts and road chemicals breaks down the concrete.

Figure 2. One of Two New Trial Sections of Concrete Pavement

It is hoped that positive results will translate into the Denver Public Works commencing to use EdenCrete® on a broad scale, and could also potentially lead to its use in other areas of Colorado by other government agencies. Relevantly, the Colorado Department of Transportation (CDOT) recently added EdenCrete® to its Approved Products List. The results from these trails also have relevance for the future marketing of EdenCrete® across the USA and elsewhere for use on highways, roads, bridges, sidewalks, airport runways and anywhere where concrete is subject to snow and ice and de-icing salts and road chemicals are commonly used.

Town of Gypsum Project

The Town of Gypsum is trialling EdenCrete® in concrete on the deck surfaces of four small golf cart/pedestrian bridges that span the Eagle River. The work at the golf course was completed on 8 March 2018 (see Figure 3). The trials are to assess the performance of EdenCrete in respect to scaling, abrasion resistance, crack reduction, and overall durability.

Figure 3. Gypsum Golf Course Bridge Project

Based on these trials, the Town of Gypsum intends to select the concrete mix design, using EdenCrete®, to be used on a forthcoming traffic roundabout replacement project within the town of Gypsum on State Highway 6. Eden has also been advised that subject to satisfactory performance of EdenCrete® in this the roundabout replacement project, the Town of Gypsum is also considering using EdenCrete® appropriate applications in its Master Development Plan.

EdenCrete® was selected to be trialled to try and achieve a more aesthetic looking and longer lasting concrete, based upon its prior success with scaling, abrasion resistance and crack reduction. The replacement of these four bridges is a small portion of, and the start of the far larger Master Development Plan that the Town of Gypsum has been preparing and which was finalized in 2017. This includes commercial (Town Centre and Business District redevelopment and new construction), infrastructure (curb and gutter, roadway and roundabout construction) and a US$200 million school construction projects to name a few.

Town of Vail - West Vail Roundabout Concrete Repair project

EdenCrete® was also included in a traffic roundabout repair project that was installed in April 2018 in the resort town of Vail, located in the Rocky Mountains at an attitude of 2,445 metres. It receives significantly more snowfall than Denver and is subject to a far greater usage of snow ploughs, studded snow tyres and chains along with heavy applications of de-icing salts and road chemicals.

The US$350,000 repair project included the removal and replacement of the concrete approach slab within the roundabout in which EdenCrete® was added.
The replaced concrete had been subjected to harsh abrasion, exacerbated by studded snow tyres and chains. EdenCrete® was selected to provide scaling/abrasion resistance and crack reduction.

REVIEW OF OPERATIONS (Continued)

PROGRESS IN OTHER U.S. STATES

Idaho

Following negotiations that occurred during the financial year, in July 2018, a full depth, concrete slab replacement trial with EdenCrete® was conducted by Idaho Department of Transport (IDOT). There is no definite timeline for evaluation by IDOT to define success. IDOT will test that compressive strengths are met. Evaluation will include visual observation of EdenCrete® slabs over a period of time relative to the performance of surrounding slabs placed without EdenCrete®, to assess long-term durability. Eden will also conduct abrasion, split-tensile, and permeability testing.

North Carolina

Following negotiations that occurred during the financial year, in July 2018, a bridge trial (see Figure 4) with the North Carolina Department of Transportation (NCDOT) of EdenCrete® commenced in early July and the pours were completed in August.

Figure 4. Bridge used for North Carolina DOT trial

EdenCrete® is being added to half of the items of the bridge that are being repaired including a barrier rail, a bent end and an approach slab, with the other half to be reference.

North Carolina is a potentially very large market for EdenCrete®. In 2015, in a report on the state of repair of the roads and bridges across all States of the U.S., the Federal Highway Administration reported that of the 18,168 bridges in North Carolina, 5,534 (or 30.5%) were structurally deficient or functionally obsolete*.

The IDOT pavement trial and the NCDOT bridge trial represent further significant progress in the marketing progress of EdenCrete®, bringing to a total of five States in the USA where a State DOT is either using or permitting the use of EdenCrete® in concrete mixtures in infrastructure projects (Georgia, Texas, and Colorado), or has trials underway.

Virginia

VDOT is also currently looking for suitable opportunities for trialling EdenCrete® for bridge and road repair applications. Once they determine the best options, Eden will undertake preliminary trials with the chosen specifications before the trials are undertaken.

US State Departments of Transportation Approval Status

During the year Eden received approval for the use of EdenCrete® from the Departments of Transportation in Alaska, Colorado, Oregon and West Virginia. Trials also commenced in Idaho and North Carolina and projects undertaken in Colorado.

EdenCrete® is now regular commercial use in DOT projects in Georgia and Texas. Further, it is approved for the use in one or more applications by the Departments of Transportation in a total of 10 States of the U.S., collectively representing approximately:

- 25% of the total US population;
- 39% of the total US land area;
- 37,800 bridges that are structurally deficient or functionally obsolete*; or
- 26% of the total number of such bridges in the USA*.

*** DOT Fact Sheets Highlight Grim State of US Roads and Bridges – 9 July 2015**

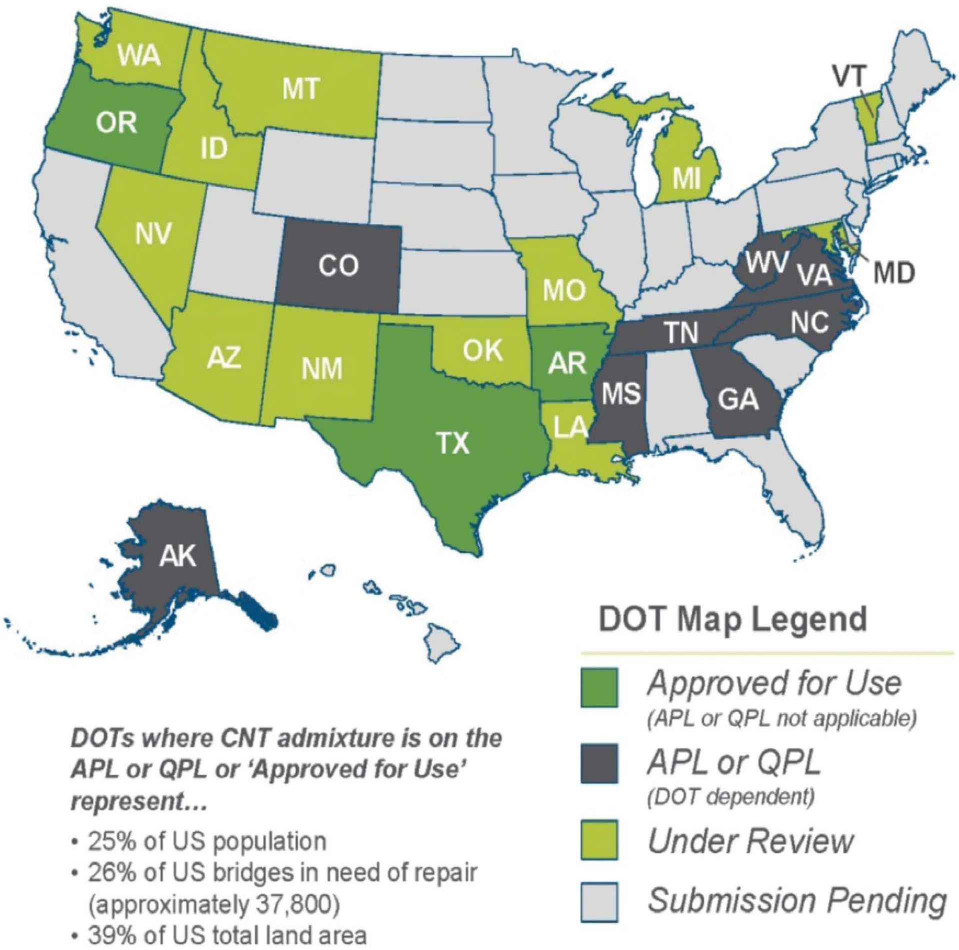

Figure 5. Map of USA showing current status of DOTs Approvals

EdenCrete® is a Type S admixture. Each DOT handles Type S admixtures differently. Some have them on their Qualified Products List (QPL) or Approved Products List (APL). QPL and APL mean the same thing, but different states use different nomenclature. Conversely, the State may choose not to have Type S admixtures on the QPL or APL and may simply allow them to be used on a project-by-project basis or mix design approval process. That is what the Oregon DOT has chosen to do and is similar to Texas and Arkansas DOTs.

Oregon DOT does not have Type S admixtures (EdenCrete® is a Type S admixture) on the QPL or APL and may simply allow them to be used on a project-by-project basis or mix design approval process. Oregon DOT will evaluate the proposed mix design for the project and determine its applicability with EdenCrete®.

In Georgia, EdenCrete® is approved for use in the GDOT 24 hour full depth slab replacements mix and is included in the GDOT specifications for full depth slab replacements. In addition the US Federal Highway Administration (FHWA) has now approved the use of EdenCrete® in concrete used by the Georgia GDOT in repair projects in Georgia that are partly federally funded (and to which FHWA contributes 80% of the costs). EdenCrete® was used by GDOT in its first commercial, highway repair project in March 2017 and further sales are anticipated in the current financial year. EdenCrete® is also undergoing a 12 months' field trial for new road construction in Georgia that will conclude after 12 months of service, which will be sometime during May 2019.

Eden anticipates that the initial FHWA approval for use in the repair projects in Georgia may well help should future FHWA approval be required in any other state (where EdenCrete® is specified by name).

In Texas, TxDOT has approved the use of EdenCrete® in two proprietary concrete mixes used by a precast manufacturer of pre-stressed beams for bridges, in which EdenCrete® is now being used on a regular basis. Test work with a number of other TxDOT approved precast manufacturers has either been carried out or is also under discussion.

As described above, the first field trials on roads in Colorado and Idaho have now occurred. Similarly a bridge trial in North Carolina has taken place. Eden is discussing possible further DOT trials. This includes discussions related to possible DOT bridge trials of EdenCrete® in both Georgia and Virginia.

NEW YORK

Trials of EdenCrete® products, in various concrete mixes and for a range of possible commercial applications, have been undertaken with both a large, national ready-mix company and with a national shotcrete company. These trials follow considerable laboratory testing and product development and are hoped will lead to commercial applications in the reasonably short term.

KOREA

Following successful trials in Colorado using three versions of Korean cement, EdenCrete® was sent to Korea and trials were successfully undertaken by the Korean government testing laboratory during the first half of 2018. Following these trials, in July 2018, Eden signed a binding Memorandum of Agreement ("Agreement") with KC Industry Co., Ltd. ("KC") (www.kccond.co.kr), a leading Korean precast concrete manufacturer, to jointly develop EdenCrete® enriched concrete, mortar and grout mix designs for use by KC in the Republic of Korea ("Korea") and elsewhere, to improve their technical performance.

KC, listed on KONEX (Korea Exchange), is a Korean precast concrete group that uses technology and innovation to deliver world-leading products for all sectors of the Korean precast concrete market. It has a significant research, testing and development capability (that has developed a number of patented products) and upon which it has built its position as a leader in the Korean precast concrete market, with a strong emphasis on infrastructure including bridges, subways, and tunnels.

It services the whole of the Korean market, operating its own large pre-cast plant at Yeoju, as well as having five other plants that manufacture for it on a contract basis, using KC's designs and under its quality control, that are spread across Korea. Additionally, KC owns two mobile precast manufacturing plants, with which it has also undertaken projects in the Philippines and Vietnam.

In addition to use in pre-cast concrete products, KC intends to also use EdenCrete® in a broader range of target markets including new concrete highway pavement construction, repairs and road barriers.

Eden and KC entered into the Agreement to collectively undertake the necessary testing and development (the "Testing and Development") to integrate EdenCrete® into KC's existing precast concrete products as well as to develop other cement based products, including mortars and grouts, that incorporate EdenCrete® for KC to use and market into the wider Korean market.

KC shipped Korean cement, fly ash, and blast furnace slag to Eden's Colorado laboratory and testing is now successfully completed and trials by KC in Korea for both precast applications and highway construction are planned for the fourth quarter of 2018.

The Agreement with KC supersedes an earlier, non-binding memorandum of understanding that was entered into by Eden in June 2016 with a different Korean company and that has ended.

JOINT RESEARCH PROJECTS

High strength CNT enriched concrete

The three-year research project with Deakin University ("Deakin"), partly funded by an Australian Research Council ("ARC") Linkage Grant, into ultra-high strength carbon nanotube enriched concrete requiring little or no reinforcing steel, continued during the year. Positive results have been achieved in a number of areas and are being followed up.

EdenPlast™ / CNT Enriched Polymers and Plastics

The jointly funded research project between Eden, the University of Queensland ("UQ") and the Australian Research Council ("ARC") in Brisbane for the development on a new method for producing carbon nanotube ("CNT") enriched thermoplastic composites, continued during the year, focussed on bringing this project to commercialisation as soon as possible, and some very encouraging progress was made, with a US patent application arising out of this research, having been lodged and a second application currently being drafted.

This project was awarded an ARC Linkage Research Grant worth A$310,000 that is payable over three years to meet part of the costs, and to which project both Eden and UQ also contribute.

OPTIBLEND® DUAL FUEL SYSTEM (EDEN 100%)

OptiBlend® Sales

During the year, Eden's wholly owned U.S. and Indian subsidiaries, sold Optiblend® kits and parts to the value of A$600,000.

Optiblend® Background

Eden has developed an efficient dual fuel system that is capable of operating on diesel engines and displacing up to 70% of the diesel fuel with natural gas. If Hythane™ fuel (hydrogen enriched natural gas) is used in place of natural gas the displacement of diesel fuel could be as high as 80%. The use of the natural gas will greatly reduce greenhouse gas emissions and, in places where natural gas is cheaper than diesel, will also reduce fuel costs. It has significant market potential particularly in the diesel-powered generator set ("genset") market.

CORPORATE

Two new US based directors appointed

During the year Eden appointed two new highly qualified US-based Non-Executive Directors to the Board, reflecting Eden Innovations' growth commitment to the U.S. market and its longer term corporate objectives. Dr Stephen Dunmead joins the board with over 30 years of US materials experience, including operational leadership roles for global materials businesses. Lazaros Nikeas brings significant corporate strategy and finance capacity to the Board, with more than 17 years of investment banking and private equity experience. Non-Executive Directors Richard Beresford and Guy Le Page stepped down from the Board after 11 years and 14 years of strong service, respectively.

Stephen Dunmead

Based in the Georgia, USA, Dr Dunmead is a global business executive who brings over 30 years of strong operational leadership experience in the U.S. based global materials industry to the role of Non-Executive Director. He served as Chief Operating Officer at SWM International (NYSE: SWM) where he was responsible for over 3,000 employees across 20 sites of the company's global operations in North and South America, Europe and Asia, accounting for US$0.8 billion of revenue and US$180 million in EBITDA. At SWM International he led the business into the high growth and high margin filtration and medical sectors.

Prior to SWM International, Dr Dunmead spent over 15 years at OM Group (NYSE: OMG) in Ohio where he was a member of the Corporate Executive Team and had responsibility for six businesses with more than 6,500 employees across 32 sites in North America, Europe, Asia and Africa. Together, these businesses represented US$1.5 billion in revenue and US$255 million in EBITDA. Dr Dunmead started his career as a research engineer at the Lawrence Livermore National Laboratory in California. He later joined the Dow Chemical Company where he held a variety of research and business development positions.

Dr Dunmead holds a PhD in Materials Science and Engineering from the University of California at Davis, as well as a MS and BS in Ceramic Engineering from The Ohio State University. He holds 25 US Patents on Advanced Materials and Specialty Chemicals.

Lazaros Nikeas

Also based in the U.S., Mr Nikeas is an experienced investment and private equity professional who brings over 17 years of US finance experience to the Board. Mr Nikeas is currently a Principal investment manager for Weston Energy LLC, a portfolio company of New York private equity group, Yorktown Partners LLC. Prior to this, he was Lead Partner and Principal of Traxys Capital Partners, a private equity vehicle focused on mining, chemicals and industrial investments in partnership with The Carlyle Group.

Before moving into private equity, he served as the Head of Corporate Finance Advisory for Materials, Mining and Chemicals for North America for BNP Paribas for five years. Other investment banking roles included Partner in Mergers & Acquisitions Advisory at Hill Street Capital for eight years and as a Corporate Finance Analyst at Morgan Stanley, where he began his career. Altogether, he has advised on over US$25 billion of mergers and acquisitions transactions. Mr Nikeas holds a Bachelor of Arts from Amherst College in Massachusetts, US.

DIRECTORS' REPORT

Your directors present their report on the Company and its controlled entities for the financial year ended 30 June 2018.

Directors

The names of directors in office at any time during or since the end of the year are:

Gregory H Solomon

Guy T Le Page *(resigned 1 May 2018)*

Douglas H Solomon

Richard J Beresford *(resigned 1 May 2018)*

Stephen D Dunmead *(appointed 1 May 2018)*

Lazaros Nikeas *(appointed 1 May 2018)*

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

Company Secretary

The following person held the position of company secretary at the end of the financial year:

Mr Aaron P Gates has worked for Eden Innovations Ltd for the past 10 years. He is a Chartered Accountant and Chartered Secretary. He has completed a Bachelor of Commerce (Curtin University) with majors in accounting and business law and completed a Diploma of Corporate Governance. Prior to joining Eden he worked in public practice in audit and corporate finance roles.

Principal Activities

Eden Innovations Ltd produces and sells a high performance concrete admixture, EdenCrete® and retrofit dual fuel technology, OptiBlend®, developed for diesel generator sets.

There were no significant changes in the nature of the consolidated group's principal activities during the financial year.

Operating Results

The consolidated loss of the group after providing for income tax amounted to $10,824,707 (2017: $11,263,770).

Dividends Paid or Recommended

No dividends were paid or declared for payment during the year.

Review of Operations

A review of the operations of the Group during the year ended 30 June 2018 is set out in the Review of Operations on Page 4.

Financial Position

The net assets of the consolidated group have decreased from $19,565,322 at 30 June 2017 to $17,761,570 in 2018. This decrease is largely the result of the loss during the year. The group's working capital, being current assets less current liabilities, has decreased from $6,544,901 in 2017 to $3,165,370 in 2018.

Significant Changes in State of Affairs

There have been no significant changes in the state of affairs that occurred during the financial year.

After Balance Date Events

On 4 July, 25 July, 5 September and 13 September 2018 a total of 85,276,684 fully paid ordinary shares were issued pursuant to the exercise of 85,276,684 EDEO 3 cents options.

On 9 July 2018 Eden signed a binding Memorandum of Agreement with KC Industry Co., Ltd., a leading Korean precast concrete manufacturer, to jointly develop EdenCrete® enriched concrete, mortar and grout mix designs for use by KC in the Republic of Korea and elsewhere, to improve their technical performance.

On 7 August 2018, Eden's subsidiary Eden Innovations LLC acquired 26.5ha of developed industrial land in Augusta, Georgia for US$1.2 million.

On 13 September 2018, Parchem Construction Supplies Pty Ltd, a leading manufacturer and supplier of products and equipment to the Australian & New Zealand concrete and construction markets, was appointed Eden's first independent distributor, as the exclusive Australian and New Zealand distributor of the EdenCrete® range of products.

No other matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the group, the results of those operations, or the state of affairs of the group in future financial years.

Future Developments, Prospects and Business Strategies

The Group proposes to continue developing and marketing its technologies, including EdenCrete® and OptiBlend® as detailed in the Review of Operations.

Environmental Issues

The Group is subject to environmental regulation and complies fully with all requirements.

DIRECTORS' REPORT

Information on Directors

Gregory H Solomon	Executive Chairman
Qualifications	**LLB**
Experience	Appointed Executive Chairman in 2004. A qualified lawyer with more than 30 years' Australian and international experience in a wide range of areas including commercial negotiation and corporate law. Following 15 years' experience as a director on a number of ASX listed companies, for the past 13 years in his role as Executive Chairman he has been responsible for initiating and managing the entire business development of all companies in the Group since its incorporation.
Interest in Shares and Options	40,744,855 Ordinary Shares
Directorships held in other listed entities	Tasman Resources Limited (ASX:TAS) Conico Limited (ASX:CNJ)

Douglas H Solomon	Non-Executive
Qualifications	**BJuris LLB (Hons)**
Experience	Board member since May 2004. A Barrister and Solicitor with more than 30 years' experience in the areas of mining, corporate, commercial and property law. He is a partner in the legal firm, Solomon Brothers.
Interest in Shares and Options	35,132,614 Ordinary Shares
Directorships held in other listed entities	Tasman Resources Limited (ASX:TAS) Conico Limited (ASX:CNJ)

Lazaros Nikeas	Non-Executive
Qualifications	**B.A.**
Experience	Board member since May 2018. Mr Nikeas is an experienced investment and private equity professional with over 17 years of US finance experience. Mr Nikeas is currently a Principal investment manager for Weston Energy LLC, a portfolio company of New York private equity group, Yorktown Partners LLC. Prior to this, he was Lead Partner and Principal of Traxys Capital Partners, a private equity vehicle focused on mining, chemicals and industrial investments in partnership with The Carlyle Group. Before moving into private equity, he served as the Head of Corporate Finance Advisory for Materials, Mining and Chemicals for North America for BNP Paribas for five years. Other investment banking roles included Partner in Mergers & Acquisitions Advisory at Hill Street Capital for eight years and as a Corporate Finance Analyst at Morgan Stanley, where he began his career. Altogether, he has advised on over US$25 billion of mergers and acquisitions transactions.
Interest in Shares and Options	2,400,000 Options
Directorships held in other listed entities	-

Stephen D Dunmead	Non-Executive
Qualifications	**B.Sc., M.Sc., Ph.D.**
Experience	Board member since May 2018. Based in the US, Dr Dunmead is a global business executive with over 30 years of strong operational leadership experience in the US based global materials industry. He served as Chief Operating Officer at SWM International (NYSE: SWM) in Georgia where he was responsible for over 3,000 employees across 20 sites of the company's global operations in North and South America, Europe and Asia, accounting for US$0.8 billion of revenue and US$180 million in EBITDA. At SWM International he led the business into the high growth and high margin filtration and medical sectors. Prior to SWM International, Dr Dunmead spent over 15 years at OM Group (NYSE: OMG) in Ohio where he was a member of the Corporate Executive Team and had responsibility for six businesses with more than 6,500 employees across 32 sites in North America, Europe, Asia and Africa. Together, these businesses represented US$1.5 billion in revenue and US$255 million in EBITDA. Dr Dunmead holds 25 US Patents on Advanced Materials and Specialty Chemicals.
Interest in Shares and Options	2,400,000 Options
Directorships held in other listed entities	-

DIRECTORS' REPORT

REMUNERATION REPORT (AUDITED)

This report details the nature and amount of remuneration for each director of Eden Innovations Ltd, and for the executives receiving the highest remuneration.

Remuneration policy

The remuneration policy of Eden Innovations Ltd has been designed to align director and executive objectives with shareholder and business objectives by providing a fixed remuneration component and offering specific long-term incentives based on key performance areas affecting the consolidated Group's financial results. The board of Eden Innovations Ltd believes the remuneration policy to be appropriate and effective in its ability to attract and retain the best executives and directors to run and manage the consolidated group, as well as create goal congruence between directors, executives and shareholders.

The board's policy for determining the nature and amount of remuneration for board members and senior executives of the economic entity is as follows:

- All executives receive a base salary (which is based on factors such as length of service and experience), superannuation (401k match), fringe benefits and options.

Executives are also entitled to participate in the employee share and option arrangements.

The executive directors and executives receive a superannuation guarantee contribution required by the government, which is currently 9.5%, or 401k match and do not receive any other retirement benefits.

All remuneration paid to directors and executives is valued at the cost to the Company and expensed. Options are valued using the Black-Scholes methodology. The Group does not have a policy on directors hedging their shares.

The maximum aggregate amount of fees that can be paid to non-executive directors is subject to approval by shareholders at the Annual General Meeting. Fees for non-executive directors are not linked to the performance of the consolidated group. However, to align directors' interests with shareholder interests, the directors are encouraged to hold shares in the Company and are able to participate in the employee share option plan.

Performance-based remuneration

No performance based remuneration was paid during the year.

Key Management Personnel Remuneration Policy

The Board's policy for determining the nature and amount of remuneration of management for the Group is as follows:

The remuneration structure for key management personnel is based on a number of factors, including length of service, particular experience of the individual concerned, and overall performance of the Company. The contracts for service between the Company and key management personnel are on a continuing basis, the terms of which are not expected to change in the immediate future. Upon retirement key management personnel are paid employee benefit entitlements accrued to date of retirement. Any ESOP options not exercised before or on the date of termination lapse.

Names and positions held of economic and parent entity key management personnel in office at any time during the financial year are:

Key Management Person Position

Gregory H Solomon
Executive Chairman

Douglas H Solomon
Non-Executive Director

Lazaros Nikeas
Non-Executive Director (appointed 1 May 2018)

Stephen D Dunmead
Non-Executive Director (appointed 1 May 2018)

Guy T Le Page
Non-Executive Director (resigned 1 May 2018)

Richard J Beresford
Non-Executive Director (resigned 1 May 2018)

Roger W Marmaro
President Eden Innovations LLC

Aaron P Gates
Company Secretary / Chief Financial Officer

DIRECTORS' REPORT

Key Management Personnel Remuneration

Key Management Person	Short-term Benefits			Post-Employment Benefits	Other Long Term Benefits	Termination Benefits	Share- based Payment		Total	Perfor-mance Related
	Salary and Fees	Non-cash benefit	Other	Super-annuation	Other	Other	Equity	Options		
	$	$	$	$	$	$	$	$	$	%
2018										
Gregory H Solomon	300,000	-	-	28,500	-	-	-	-	328,500	-
Douglas H Solomon	48,000	-	-	4,560	-	-	-	-	52,560	-
Lazaros Nikeas	9,000	-	-	-	-	-	-	19,200	28,200	-
Stephen D Dunmead	26,028	-	-	-	-	-	-	19,200	45,228	-
Guy T Le Page	39,000	-	-	3,705	-	-	-	-	42,705	-
Richard J Beresford	39,000	-	-	3,705	-	-	-	-	42,705	-
Roger W Marmaro	521,301	31,426	(c)120,300	18,642	-	-	-	302,632	994,301	-
Aaron P Gates	(a)	-	-	-	-	-	-	12,622	12,622	-
	982,329	31,426	120,300	59,112	-	-	-	353,654	1,546,821	-
2017										
Gregory H Solomon	300,000	-	-	28,500	-	-	-	-	328,500	-
Douglas H Solomon	46,800	-	-	4,446	-	-	-	-	51,246	-
Guy T Le Page	46,800	-	-	4,446	-	-	-	-	51,246	-
Richard J Beresford	46,800	-	-	4,446	-	-	-	-	51,246	-
Roger W Marmaro	609,409	32,425	-	20,006	-	-	-	419,203	1,081,043	-
Aaron P Gates	(a)	-	-	-	-	-	-	18,864	18,864	-
	1,049,809	32,425	-	61,844	-	-	-	438,067	1,582,145	-

(a) *This officer is provided by Princebrook Pty Ltd (a company in which Mr Gregory H Solomon and Mr Douglas H Solomon have an interest) under the Management services Agreement with the Company. During the year the Company paid $300,000 (2017: $300,000) to Princebrook Pty Ltd for management services.*

(b) *The appointment of Roger Marmaro may be terminated by giving not less than two months' written notice.*

(c) *Reimbursement of relocation costs (grossed up for tax) for R Marmaro relocating to Denver, Colorado at the request of the Company.*

Options issued as part of remuneration for the year ended 30 June 2018

5,300,000 ESOP options were issued as part of remuneration during the year, of which 4,800,000 ESOP options were issued to key management personnel.

2,400,000 ESOP options were issued to both Dr Dunmead and Mr Nikeas, pursuant to the Eden Employee Share Option Plan. These options are exercisable at 20 cents each, expire 26 October 2021 and had a value of $0.024 per option using the Black Scholes valuation method. The options to each of them vest in three equal tranches of 800,000, on 26 April 2018, 26 April 2019 and 26 April 2020 respectively.

Included under employee benefits expense in the income statement is $757,145 (2017: $1,081,063) and relates, in full, to equity settled share-based payment transactions.

Other transactions with key management personnel

Management fees of $300,000 were paid/payable to Princebrook Pty Ltd, a company in which Mr GH Solomon and Mr DH Solomon have an interest.

Legal fees of $31,656, based on normal market rates, were paid to Solomon Brothers, a firm in which Mr GH Solomon and Mr DH Solomon are partners.

Under a resale price commitment agreement, between Eden Innovations LLC and R Marmaro, currently in the process of being finalized, the Eden Innovations LLC has tentatively agreed to reimburse R Marmaro for an amount yet to be determined (ranging from $200,000 to $400,000) in lost home value if the employee were to sell their home at a loss on or before June 30, 2027, subject to certain exceptions.

DIRECTORS' REPORT

Number of Options Held by Key Management Personnel

	Balance 30.6.2017	Granted as Compensation	Options Exercised	Net Change* Other	Balance 30.6.2018**	Total Vested 30.6.2018**	Total Exercisable 30.6.2018**	Total Unexercisable 30.6.2018**
Gregory Solomon	13,092,309	-	(13,092,309)	-	-	-	-	-
Douglas Solomon	11,264,416	-	(11,264,416)	-	-	-	-	-
Lazaros Nikeas	-	2,400,000	-	-	2,400,000	800,000	800,000	1,600,000
Stephen Dunmead	-	2,400,000	-	-	2,400,000	800,000	800,000	1,600,000
Guy Le Page	1,963,321	-	-	-	1,963,321	1,963,321	1,963,321	-
Richard Beresford	700,000	-	-	-	700,000	700,000	700,000	-
Roger Marmaro	10,500,000	-	-	-	10,500,000	3,833,333	3,833,333	6,666,667
Aaron Gates	1,025,000	-	-	-	1,025,000	725,000	725,000	300,000
Total	38,545,046	4,800,000	(24,356,725)	-	18,988,321	8,821,654	8,821,654	10,166,667

* Net Change Other refers to options that have been purchased, sold, lapsed or issued during the year.
** 30 June 2018 or date of resignation.

Number of Shares held by Key Management Personnel

	Balance 30.6.2017	Received as Compensation	Options Exercised	Net Change* Other	Balance 30.6.2018**
Gregory Solomon	27,652,546	-	13,092,309	-	40,744,855
Douglas Solomon	23,868,198	-	11,264,416	-	35,132,614
Lazaros Nikeas	-	-	-	-	-
Stephen Dunmead	-	-	-	-	-
Guy Le Page	1,350,405	-	-	(350,000)	1,000,405
Richard Beresford	3,150,000	-	-	-	3,150,000
Roger Marmaro	2,478,648	-	-	-	2,478,648
Aaron Gates	100,000	-	-	-	100,000
Total	58,599,797	-	24,356,725	(350,000)	82,606,522

* Net Change Other refers to shares purchased or sold during the financial year.
** 30 June 2018 or date of resignation.

<End of Remuneration Report>

DIRECTORS' REPORT

Meetings of Directors

During the financial year, 5 meetings of directors were held. Attendances by each director during the year were as follows:

	Number eligible to attend	Number attended
Gregory H Solomon	5	5
Douglas H Solomon	5	5
Lazaros Nikeas	1	1
Stephen D Dunmead	1	1
Guy T Le Page	4	3
Richard J Beresford	4	3

Unissued shares under options

At the date of this report, the unissued ordinary shares of Eden Innovations Ltd under option are as follows:

Issue Date	Date of Expiry	Exercise Price	Number under Option
Various	30 September 2018	$0.03	57,755,442
16 March 2016	28 February 2019	$0.095	5,550,000
8 March 2017	1 March 2019	$0.40	5,000,000
8 March 2017	1 March 2019	$0.48	5,000,000
20 May 2016	19 May 2019	$0.31	22,490,000
20 May 2016	19 May 2019	$0.2875	2,250,000
20 May 2016	19 May 2019	$0.3875	1,125,000
Various	28 February 2020	$0.27	25,532,462
28 August 2017	30 November 2020	$0.25	330,000
10 April 2018	30 April 2021	$0.275	170,000
26 April 2018	26 October 2021	$0.20	4,800,000
			130,002,904

DIRECTORS' REPORT

The Options expiring on 28 February 2019, 28 February 2020, 30 November 2020 and 30 April 2021 are all held, pursuant to the Company's Employee Share Option Plan, by overseas employees or directors of subsidiaries of the Company or key consultants. No person entitled to exercise the option has any right by virtue of the option to participate in any share issue of any other body corporate.

Indemnifying Officers or Auditor

The Company has arranged for an insurance policy to insure the directors against liabilities for costs and expenses incurred by them in defending any legal proceedings arising out of their conduct while acting in the capacity of director of the Company, other than conduct involving a wilful breach of duty in relation to the Company. The total premium payable was approximately $80,275.

Proceedings on Behalf of Company

No person has applied for leave of Court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings.

The Company was not a party to any such proceedings during the year.

Non-audit Services

The Board of Directors is satisfied that the provision of non-audit services during the year is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001. The directors are satisfied that the services disclosed below did not compromise the external auditor's independence for the following reasons:

- the nature of the services provided do not compromise the general principles relating to auditor independence in accordance with APES 110: Code of Ethics for Professional Accountants set by the Accounting Professional and Ethical Standards Board.

No fees for non-audit services were paid / payable to the external auditors during the year ended 30 June 2018.

Auditor's Independence Declaration

The lead auditor's independence declaration for the year ended 30 June 2018 has been received and can be found on page 21.

Rounding of amounts

Eden Innovations Ltd is a type of Company referred to in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191 and therefore the amounts contained in this report and in the financial report have been rounded to the nearest $1.

Signed in accordance with a resolution of the Board of Directors.

Douglas H Solomon

Director

Dated this 27th day of September 2018

Nexia Australia

Lead auditor's independence declaration under section 307C of the *Corporations Act 2001*

To the directors of Eden Innovations Ltd

I declare that, to the best of my knowledge and belief, in relation to the audit for the financial year ended 30 June 2018 there have been:

(i) no contraventions of the auditor's independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and

(ii) no contraventions of any applicable code of professional conduct in relation to the audit.

NPAS

Nexia Perth Audit Services Pty Ltd

Amar Nathwani

Amar Nathwani
Director

Perth, 27 September 2018

Nexia Perth Audit Services Pty Ltd
ACN 145 447 105
Level 3, 88 William Street
Perth WA 6000
GPO Box 2570, Perth WA 6001
p +61 8 9463 2463
f +61 8 9463 2499
e audit@nexiaperth.com.au
w nexia.com.au

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR YEAR ENDED 30 JUNE 2018

	Note	Consolidated Group	
		2018	**2017**
		$	**$**
Revenue	2	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	3a	(7,355,821)	(6,770,049)
Finance costs		(24,572)	(19,941)
Other financial items	4	(94,748)	(390,483)
Other expenses		(3,623,225)	(4,305,276)
Loss before income tax		(11,007,030)	(11,307,109)
Income tax (expense)/benefit	7	182,323	43,339
Loss for the year		(10,824,707)	(11,263,770)
Other Comprehensive Income / (Loss)			
Items that may be reclassified subsequently to profit or loss			
Foreign currency translation reserve		418,570	(31,083)
Income tax relating to comprehensive income		-	-
Items reclassified to profit or loss			
Foreign currency translation reserve		-	-
Total Other Comprehensive Income / (Loss), net of tax		418,570	(31,083)
Total Comprehensive Income / (Loss) attributable to members of the parent		(10,406,137)	(11,294,853)
Basic/Diluted loss per share (cents per share)	6	(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	9	3,489,730	7,984,726
Trade and other receivables		309,656	103,421
Inventories	10	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	11	10,690,384	10,463,280
Intangible assets	12	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	13	1,049,639	1,939,047
Interest bearing liabilities	14	230,058	217,452
Provisions	15	89,269	104,783
TOTAL CURRENT LIABILITIES		1,368,966	2,261,282
NON-CURRENT LIABILITIES			
Interest bearing liabilities	14	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	16	91,230,956	83,385,716
Reserves	20	7,864,993	6,689,278
Accumulated losses		(81,334,379)	(70,509,672)
TOTAL EQUITY		17,761,570	19,565,322

The accompanying notes form part of these financial statements.

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

	Share Capital				
	Ordinary	**Option Reserve**	**Foreign Currency Translation Reserve**	**Accumulated Losses**	**Total**
	$	**$**	**$**	**$**	**$**
Balance at 30 June 2016	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)
Balance at 30 June 2017	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)
Balance at 30 June 2018	91,230,956	7,668,777	196,216	(81,334,379)	17,761,570

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS FOR YEAR ENDED 30 JUNE 2018

	Note	Consolidated Group	
		2018	**2017**
		$	**$**
CASH FLOWS FROM OPERATING ACTIVITIES			
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	18	(9,204,370)	(8,451,213)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment	11	(1,350,253)	(7,943,781)
Payment for research and development	12	(1,514,619)	(949,884)
Net cash provided by (used in) investing activities		(2,864,872)	(8,893,665)
CASH FLOWS FROM FINANCING ACTIVITIES			
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		7,623,500	14,513,859
Net increase (decrease) in cash held		(4,445,742)	(2,831,019)
Net increase (decrease) due to foreign exchange movements		(49,254)	(433,700)
Cash at beginning of financial year		7,984,726	11,249,445
Cash at end of financial year	9	3,489,730	7,984,726

The accompanying notes form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001. The financial report complies with all International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board in their entirety.

The financial report covers the consolidated group of Eden Innovations Ltd and controlled entities as at and for the year ended 30 June 2018. Eden Innovations Ltd is a listed public company, incorporated and domiciled in Australia. The Group is a for-profit entity and primarily is involved in clean technology solutions.

The financial report was authorised for issue on 27 September 2018 by the Board of Directors.

The following is a summary of the material accounting policies adopted by the consolidated group in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

Basis of Preparation

The accounting policies set out below have been consistently applied to all years presented.

Reporting Basis and Conventions

The financial report has been prepared on an accruals basis and is based on historical costs modified by the revaluation of selected non-current assets, financial assets and financial liabilities for which the fair value basis of accounting has been applied. These consolidated financial statements are presented in Australian dollars, which is the Parent's functional currency. The subsidiaries' functional currencies are USD and INR.

Going Concern

These financial statements have been prepared on a going concern basis, which contemplates continuity of normal business activities the realisation of assets and extinguishment of liabilities in the ordinary course of business.

The Group has reported a net loss for the year of $10,824,707 (2017: $11,263,770) and a cash outflow from operating activities of $9,204,370 (2017: $8,451,213). The directors are confident that the Group, subject to being able to raise further capital, will be able to continue its operations as a going concern. Without such capital, the net loss for the year and the cash outflow from operating activities indicate the existence of a material uncertainty which may cast significant doubt about the Group's ability to continue as a going concern.

The continuing applicability of the going concern basis of accounting is dependent upon the Group's ability to source additional finance. Unless additional finance is received the Group may need to realise assets and settle liabilities other than in the normal course of business and at amounts which could differ from the amounts at which they are stated in these financial statements.

Accounting Policies

a. Principles of Consolidation

A controlled entity is any entity Eden Innovations Ltd is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. A list of controlled entities is contained in Note 21 to the financial statements. All controlled entities have a June year-end.

All inter-company balances and transactions between entities in the consolidated group, including any unrealised profits or losses, have been eliminated on consolidation. Accounting policies of subsidiaries have been changed where necessary to ensure consistencies with those policies applied by the parent entity.

b. Income Tax

The charge for current income tax expense is based on the profit for the year adjusted for any non-assessable or disallowed items. It is calculated using the tax rates that have been enacted or are substantially enacted by the balance sheet date.

Deferred tax is accounted for using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss. Deferred income tax assets are recognised to the extent that it is probable that future tax profits will be available against which deductible temporary differences can be utilised.

Eden Innovations Ltd, Eden Innovations Holdings Pty Ltd and Eden Energy Holdings Pty Ltd, its wholly-owned Australian subsidiaries, have formed an income tax consolidated group under the tax consolidation regime. The Group notified the Australian Tax Office that it had formed an income tax consolidated group to apply from 1 July 2005. The tax consolidated group has entered a tax sharing agreement whereby each company in the group contributes to the income tax payable in proportion to their contribution to the net profit before tax of the tax consolidated group. The R&D tax rebate is recognised as income tax benefit upon receipt.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

c. Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of manufactured products includes direct materials, direct labour and an appropriate portion of variable and fixed overheads. Costs are assigned on the basis of first-in, first-out.

d. Segment reporting

Segment results that are reported to the Group's board of directors (the chief operating decision maker) include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

e. Employee Benefits

Provision is made for the company's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs.

f. Revenue

Revenue from the sale of goods is recognised upon delivery of goods to customers. Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

g. Property, Plant and Equipment

Each class of property, plant and equipment is carried at cost less, where applicable, any accumulated depreciation and impairment losses.

Plant and equipment

Plant and equipment are initially recognised at acquisition cost or manufacturing cost, including any costs directly attributable to bringing the assets to the location and condition necessary for it to be capable of operating in the manner intended by the Group's management.

The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount of these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the asset's employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

The depreciation rates used for each class of depreciable assets are:

Class of Fixed Asset	Depreciation Rate
Plant and equipment	15 – 50% straight line
Buildings	4% straight line

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the income statement. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

h. Financial Instruments

Recognition

Financial instruments are initially measured at cost on trade date, which includes transaction costs, when the related contractual rights or obligations exist. Subsequent to initial recognition these instruments are measured as set out below.

Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are either designated as such or that are not classified in any of the other categories. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are stated at amortised cost using the effective interest rate method.

Financial liabilities

Non-derivative financial liabilities are recognised at amortised cost, comprising original debt less principal payments and amortisation.

Fair value

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

Impairment

At each reporting date, the group assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a prolonged decline in the value of the instrument is considered to determine whether an asset is impaired. Impairment losses are recognised in the income statement.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

i. Impairment of Assets

At each reporting date, the group reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the income statement.

Impairment testing is performed annually for goodwill and intangible assets with indefinite lives.

Where it is not possible to estimate the recoverable amount of an individual asset, the group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

j. Intangibles

Research and development

Expenditure during the research phase of a project is recognised as an expense when incurred. Development costs are capitalised only when technical feasibility studies identify that the project will deliver future economic benefits and these benefits can be measured reliably.

Development costs have a finite life and are amortised on a systematic basis matched to the future economic benefits over the useful life of the project.

Intellectual Property

Intellectual property, which includes trademarks and engineering knowledge, is included in the financial statements at cost, being their fair value on acquisition.

Intellectual property and trademarks are only amortised or written down where the useful lives are limited or impaired by specific circumstances, in such cases amortisation is charged on a straight line basis over their useful lives and write downs are charged fully when incurred. The directors have assessed the useful life of the intellectual property and have determined that it has a finite useful life of 10 to 20 years. The intellectual property is amortised on a systematic basis matched to the expected future economic benefits over the useful life of the project.

Intellectual property is amortised over 10-20 years in line with its useful life.

k. Foreign Currency Transactions and Balances

Functional and presentation currency

The functional currency of each of the group's entities is measured using the currency of the primary economic environment in which that entity operates. The consolidated financial statements are presented in Australian dollars which is the parent entity's functional and presentation currency.

Transaction and balances

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the year-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined.

Exchange differences arising on the translation of monetary items are recognised in the income statement.

Group companies

The financial results and position of foreign operations whose functional currency is different from the group's presentation currency are translated as follows:

- assets and liabilities are translated at year-end exchange rates prevailing at that reporting date;
- income and expenses are translated at average exchange rates for the financial year; and
- retained earnings are translated at the exchange rates prevailing at the date of the transaction.

Exchange differences arising on translation of foreign operations are transferred directly to the group's foreign currency translation reserve in the balance sheet. These differences are recognised in the income statement in the period in which the operation is disposed. Intercompany loans are treated as investments for foreign currency translation purposes.

l. Equity-settled compensation

The group operates an employee share option plan. The total amount to be expensed over the vesting period is determined by reference to the fair value of the shares of the options granted.

m. Comparative Figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

n. Ordinary shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity.

o. New accounting standards and interpretations

A number of new and revised standards became effective for the first time to annual periods beginning on or after 1 July 2017. The adoption of these new standards and amendments has not had a material impact on the Group. The following standards are effective from 1 July 2018 or later, as indicated.

AASB 9 – Financial Instruments (effective from 1 July 2018)

AASB 9 addresses the classification, measurement and derecognition of financial assets and financial liabilities, introducing new rules for hedge accounting and a new impairment model for financial assets. The Group has reviewed in financial assets and liabilities and does not expect the standard to have a material impact.

AASB 15 – Revenue from Contracts with Customers (effective from 1 July 2018)

The AASB has issued a new standard for the recognition of revenue which replaces AASB 118 and AASB 111. The new standard is based on the principle that revenue is recognised when control of a good or service transfers to a customer. Management has assessed the effects of applying the new standard on the Group's financial statements and has concluded there will not be a material impact.

AASB 16 – Leases (effective from 1 July 2019)

AASB 16 will result in almost all leases being recognised on the balance sheet as the distinction between operating and finance leases is removed. Under the new standard, an asset (the right to use the leased item) and a financial liability to pay rentals are recognised. The exceptions are only short-term and low-value leases. Management has assessed the effects of applying the new standard and as at 30 June 2018 the impact will be immaterial.

Critical Accounting Estimates and Judgments

The directors evaluate estimates and judgments incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the group.

Key Estimates — Impairment

The group assesses impairment of finite intangible assets and property, plant & equipment at each reporting date by evaluating conditions specific to the group that may lead to impairment of assets. At the date of this report the group has sufficient reason to believe that the Group's intangible assets and property, plant & equipment are not impaired.

There is a significant risk of actual outcomes being different from those forecasted due to changes in economic or market conditions and events.

Key Estimates — Share-based payment transactions

The consolidated entity measures the cost of equity settled transactions with suppliers and employees by reference to the fair value of the equity instruments as at the date at which they are granted. The fair value is determined using a Black-Scholes model. Refer to Note 3b for the inputs to the Black-Scholes model.

NOTE 2: REVENUE	**2018** **$**	**2017** **$**
Operating activities		
— sale of goods or services	1,317,960	949,467
Total Revenue	1,317,960	949,467

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

NOTE 3: EMPLOYEE BENEFITS

		2018 $	2017 $
a.	**Employee benefits expense**		
	Expenses recognised for employee benefits are analysed below:		
	Short-term employee benefits	(6,277,094)	(5,366,605)
	Post-employment benefits	(274,575)	(206,628)
	Termination benefits	(47,007)	(115,753)
	Share based payments	(757,145)	(1,081,063)
	Total	(7,355,821)	(6,770,049)

b. Share-based Employee Remuneration

All options granted to personnel are over ordinary shares in Eden Innovations Ltd, which confer a right of one ordinary share for every option held. When issued, the shares carry full dividend and voting rights.

	2018		2017	
	Number of Options	**Weighted Average Exercise Price $**	**Number of Options**	**Weighted Average Exercise Price $**
Outstanding at the beginning of the year	33,056,843	0.238	6,550,000	0.095
Granted	5,300,000	0.206	27,861,269	0.27
Exercised	-	-	-	-
Lapsed	(1,974,381)	0.222	(1,354,426)	0.218
Outstanding at year-end	36,382,462	0.234	33,056,843	0.238
Exercisable at year-end	15,660,821	0.201	6,150,000	0.095

The options outstanding at 30 June 2018 had a weighted average exercise price of $0.234 and a weighted average remaining contractual life of 1.74 years.

Historical volatility has been the basis for determining expected share price volatility as it is assumed that this is indicative of future tender, which may not eventuate. Volatility of 52-82% and a risk free rate of 1.5-2.24% were used in the Black-Scholes model. The life of the options is based on the historical exercise patterns, which may not eventuate in the future.

4,800,000 ESOP options were issued to two non-executive directors prior to them joining Eden, pursuant to the Eden Employee Share Option Plan. These options are exercisable at 20 cents each, expire 26 October 2021 and had a fair value of $0.024 per option (total $115,200) using the Black Scholes valuation method. The options to each of them vest in three equal tranches of 800,000, on 26 April 2018, 26 April 2019 and 26 April 2020 respectively.

330,000 ESOP options were issued to an employee pursuant to the Eden Employee Share Option Plan. These options are exercisable at 25 cents each, expire 30 November 2020 and had a fair value of $0.060 per option (total $19,800) using the Black Scholes valuation method. The options to each of them vest in three equal tranches of 110,000, on 21 August 2018, 21 August 2019 and 21 August 2020 respectively.

170,000 ESOP options were issued to an employee pursuant to the Eden Employee Share Option Plan. These options are exercisable at 27.5 cents each, expire 30 April 2021 and had a fair value of $0.015 per option (total $2,550) using the Black Scholes valuation method. The options to each of them vest in three tranches of 56,667 on 27 March 2019, 56,667 on 27 March 2020 and 56,666 on 27 March 2021.

No options were exercised during the year ended 30 June 2018. Included under employee benefits expense in the income statement is $757,145 (2017: $1,081,063) and relates, in full, to equity settled share-based payment transactions.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

NOTE 4: OTHER FINANCIAL ITEMS

	2018 $	2017 $
Foreign exchange gain / (loss)	(77,311)	(390,483)
Impairment expense	(17,437)	-
Total	(94,478)	(390,483)

NOTE 5: AUDITORS' REMUNERATION

	2018 $	2017 $
Remuneration of the auditor of the parent entity for:		
— auditing or reviewing the financial report	48,100	44,250
— other services	-	-
Remuneration of other auditors of subsidiaries for:		
— auditing or reviewing the financial report	62,784	35,022
— other services	7,353	3,490

NOTE 6: EARNINGS PER SHARE

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

The options on issue are not potentially dilutive shares.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

NOTE 7: INCOME TAX BENEFIT

		2018 $	2017 $
a.	The prima facie tax on loss from ordinary activities before income tax is reconciled to the income tax as follows:		
	Prima facie tax payable on loss from ordinary activities before income tax at 26.5% (2017: 27.5%)	(2,916,863)	(3,109,455)
	Add tax effect of:		
	— Non-deductible expenses	73,258	135,741
	— Current year tax losses not recognised	4,541,258	2,358,362
	Less tax effect of:		
	— Effect of change in tax rate	-	(1,697,411)
	— Current year temporary differences not recognised	(1,879,976)	2,269,424
	Income tax expense / (benefit)	(182,323)	(43,339)
b.	Components of deferred tax		
	— Unrecognised deferred tax asset – losses	22,977,953	19,260,036
	— Property, Plant & Equipment	(988,148)	(854,096)
	— Capital raising costs	360,378	201,316
	— Stock compensation	341,306	-
	— Provisions and accruals	25,954	28,815
	— Interest bearing liability (intercompany)	-	1,004,527
	— Intangibles	(1,585,165)	(969,073)
	Total unrecognised deferred tax asset	21,132,278	18,671,525

Deferred tax assets have not been brought to account as it is not probable within the immediate future that tax profits will be available against which deductible temporary differences and tax losses can be utilised. The benefit of the tax losses will only be obtained if the Group complies with conditions imposed by the relevant tax legislation.

NOTE 8: RELATED PARTY TRANSACTIONS

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated. Full details of key management personnel remuneration can be found in the remuneration report on page 17.

	2018 $	2017 $
Key Management Personnel		
Management fees paid/payable to Princebrook Pty Ltd, a company in which Mr GH Solomon and Mr DH Solomon have an interest.	300,000	300,000
Legal fees paid/payable to Solomon Brothers, a firm in which Mr GH Solomon and Mr DH Solomon are partners.	31,656	17,343

Under a resale price commitment agreement, between Eden Innovations LLC and R Marmaro, currently in the process of being finalized, the Eden Innovations LLC has tentatively agreed to reimburse R Marmaro for an amount yet to be determined (ranging from $200,000 to $400,000) in lost home value if the employee were to sell their home at a loss on or before June 30, 2027, subject to certain exceptions.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

NOTE 9: CASH AND CASH EQUIVALENTS

	2018 $	2017 $
Cash at bank and in hand	3,489,730	7,984,726
	3,489,730	7,984,726

Reconciliation of cash

Cash at the end of the financial year as shown in the statement of cash flows is reconciled to the consolidated statement of financial position as follows:

Cash and cash equivalents	3,489,730	7,984,726
	3,489,730	7,984,726

NOTE 10: INVENTORIES

	2018 $	2017 $
At cost	617,320	613,192
	617,320	613,192

NOTE 11: PROPERTY, PLANT AND EQUIPMENT

	Land and buildings	Plant and equipment	Total
Cost			
Balance 1 July 2017	3,881,417	7,313,797	11,195,214
Additions	35,315	597,655	632,970
Transfers	587,470	(587,470)	-
Disposals	-	(462,561)	(462,561)
Net exchange differences	173,144	251,190	424,334
Balance 30 June 2018	4,677,346	7,112,611	11,789,957
Depreciation and impairment			
Balance 1 July 2017	(67,452)	(664,482)	(731,934)
Depreciation	(168,638)	(509,738)	(678,376)
Disposals	-	363,483	363,483
Net exchange differences	(13,059)	(39,687)	(52,746)
Balance 30 June 2018	(249,149)	(850,424)	(1,099,573)
Carrying amount at 30 June 2018	4,428,197	6,262,187	10,690,384
Cost			
Balance 1 July 2016	-	1,363,614	1,363,614
Additions	3,957,702	6,270,088	10,227,790
Disposals	-	(146,493)	(146,493)
Net exchange differences	(76,285)	(173,412)	(249,697)
Balance 30 June 2017	3,881,417	7,313,797	11,195,214

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

	Land and buildings	Plant and equipment	Total
Depreciation and impairment			
Balance 1 July 2016	-	(672,955)	(672,955)
Depreciation	(68,778)	(172,281)	(241,059)
Disposals	-	146,493	146,493
Net exchange differences	1,326	34,261	35,587
Balance 30 June 2017	(67,452)	(664,482)	(731,934)
Carrying amount at 30 June 2017	3,813,965	6,649,315	10,463,280

Capitalised costs amounting to $1,350,253 (2017: $7,943,781) have been included in cash flows from investing activities in the statement of cash flows for the Consolidated Group.

NOTE 12: INTANGIBLE ASSETS	**2018 $**	**2017 $**
Intellectual property	15,153,388	13,594,842
Accumulated amortisation	(826,930)	(481,962)
Accumulated impairment expenses	(9,418,916)	(9,401,479)
Net carrying value	4,907,542	3,711,401
Balance at the beginning of the year	3,711,401	3,009,306
Additions	1,558,546	949,884
Amortisation expense	(344,968)	(247,789)
Impairment	(17,437)	-
Carrying amount at the end of the year	4,907,542	3,711,401

Intellectual property relates to pyrolysis technology, EdenCrete® and OptiBlend®. Capitalised costs amounting to $1,514,619 (2017: $949,884) have been included in cash flows from investing activities in the statement of cash flows.

NOTE 13: TRADE AND OTHER PAYABLES	**2018 $**	**2017 $**
Trade payables and other payables	1,049,639	1,939,047
	1,049,639	1,939,047

NOTE 14: INTEREST BEARING LIABILITIES	**2018 $**	**2017 $**
Current portion	230,058	217,452
Non-current portion	984,296	1,154,260
	1,214,354	1,371,712

Relates to the loan for the purchase of the Dumont Way property. It is secured over the property, repayable in six equal annual instalments, carries an interest rate of 2% and is denominated in US dollars.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

NOTE 15: PROVISIONS	**2018 $**	**2017 $**
Provisions for staff entitlements and warranties	89,269	104,783
	89,269	104,783

NOTE 16: ISSUED CAPITAL		**2018 No.**	**2017 No.**	**2018 $**	**2017 $**
a.	**Ordinary shares**				
	At the beginning of reporting period	1,262,172,800	1,163,937,561	83,385,716	68,890,525
	Shares issued during the year	120,817,310	98,235,239	7,845,240	14,495,191
	At reporting date	1,382,990,110	1,262,172,800	91,230,956	83,385,716

i. The ordinary shares on issue have no par value and there is no limited amount of authorised share capital.

ii. Ordinary shares participate in dividends and in the proceeds on winding up of the parent entity in proportion to the number of shares held. At the shareholders meetings each ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has one vote on a show of hands.

		2018 No.	**2017 No.**
b.	**Options**		
	At the beginning of reporting period	275,268,282	253,663,345
	Options issued	5,300,000	37,861,269
	Options exercised	(63,314,313)	(14,901,906)
	Options lapsed	(1,974,381)	(1,354,426)
	At reporting date	215,279,588	275,268,282

For information relating to the Eden Innovations Ltd employee option plan, refer to Note 3b Share-based Payments.

c. Capital Management

Management controls the working capital of the Group in order to maximise the return to shareholders and ensure that the Group can fund its operations and continue as a going concern. Management effectively manages the Group's capital by assessing the Group's financial risks and adjusting its capital structure in response to changes in these risks and in the market. These responses include the management of expenditure and share issues. There have been no changes in the strategy adopted by management to control the capital of the Group since the prior year.

NOTE 17: CONTINGENT LIABILITIES AND CONTINGENT ASSETS

Under a resale price commitment agreement, between Eden Innovations LLC and an employee, currently in the process of being finalized, the Eden Innovations LLC has tentatively agreed to reimburse the employee for an amount yet to be determined (ranging from $200,000 to $400,000) in lost home value if the employee were to sell their home at a loss on or before June 30, 2027, subject to certain exceptions.

The Directors are not aware of any other contingent assets or contingent liabilities at 30 June 2018.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

NOTE 18: CASH FLOW INFORMATION

	2018 $	2017 $
Reconciliation of Cash Flow from Operations with Loss after Income Tax		
Loss after income tax	(10,824,707)	(11,263,770)
Non-cash flows in loss		
Depreciation and amortisation	1,023,344	479,997
Options Expense	757,145	1,323,563
Other financial items	94,748	390,483
Changes in assets and liabilities, net of the effects of purchase and disposal of subsidiaries		
(Increase)/decrease in trade and other receivables	(206,235)	85,603
(Increase)/decrease in inventories	(4,128)	(121,859)
Increase/(decrease) in trade payables and accruals*	(46,453)	611,000
Increase/(decrease) in provisions	1,916	43,770
Cash flow from operations	(9,204,370)	(8,451,213)

* - Net of non-operating movements

NOTE 19: CAPITAL AND LEASING COMMITMENTS

a. Capital Expenditure Commitments

— not later than 12 months	-	131,680
— greater than 12 months	-	-
	-	131,680

b. Other Commitments

None

NOTE 20: RESERVES

a. Option Reserve

The option reserve records items recognised as expenses on valuation of share options.

b. Foreign Currency Translation Reserve

The foreign currency translation reserve records exchange differences arising on the translation of foreign subsidiaries.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

NOTE 21: CONTROLLED ENTITIES

a. **Controlled Entities**	**Country of Incorporation**	**Percentage Owned (%)* 2018**	**2017**
Eden Innovations Holdings Pty Ltd (formerly Adamo Energy Ltd)	Australia	100	100
Eden Innovations (India) Pvt Ltd	India	100	100
Eden Energy Holdings Pty Ltd	Australia	100	100
Eden Innovations LLC	USA	100	100
EdenCrete Industries Inc.	USA	100	100

** Percentage of voting power is in proportion to ownership*

b. Acquisition of Controlled Entities

No entities were acquired during the year.

c. Disposal of Controlled Entities

No entities were disposed of during the year.

NOTE 22: PARENT COMPANY INFORMATION

	2018 $	**2017 $**
a. Parent Entity		
Assets		
Current assets	3,013,785	5,811,253
Non-current assets (includes intercompany receivables of $39,225,942) *	53,593,284	44,389,119
Total Assets	56,607,069	50,200,372
Liabilities		
Current liabilities	229,091	207,485
Total liabilities	229,091	207,485
Equity		
Issued Capital	91,230,956	83,385,716
Retained Earnings	(42,517,015)	(40,304,461)
Reserves		
Option reserve	7,664,038	6,911,632
Total reserves	7,664,038	6,911,632
Financial performance		
Profit / (Loss) for the year	(2,217,294)	(2,925,609)
Other comprehensive income, net of tax	-	-
Total comprehensive income / (Loss)	(2,217,294)	(2,925,609)

* - The intercompany receivables have been assessed for impairment and management do not consider a provision for impairment against these receivables is required. It is anticipated that these receivables will be recovered through the successful commercialisation of EdenCrete® and OptiBlend® by the subsidiary companies.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

NOTE 23: 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 – EdenCrete® sales and development and 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	Consolidated Entity
	$	$	$	$
2018				
External sales	1,204,298	113,662	-	1,317,960
Internal sales	1,416,928	-	(1,416,928)	-
Total segment revenue	2,621,226	113,662	(1,416,928)	1,317,960
Segment Result	(8,166,794)	(14,455)	(217,913)	(8,399,162)
Unallocated expenses				(2,583,296)
Result from operating activities				(10,982,458)
Finance costs				(24,572)
Loss before income tax				(11,007,030)
Income tax benefit				182,323
Loss after income tax				(10,824,707)
Segment assets	11,969,698	241,236	-	12,210,934
Unallocated assets				7,921,328
Total assets				20,132,262
Segment liabilities	2,105,846	605,224	(569,468)	2,141,602
Unallocated liabilities				229,091
Total liabilities				2,370,693
Capital expenditure	608,390	-	-	608,390
Depreciation and amortisation	679,858	-	343,486	1,023,344
Impairment expense	-	-	-	17,437

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

	Eden Innovations LLC	Eden Innovations India Pvt Ltd	Eliminations	Consolidated Entity
	$	$	$	$
2017				
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)	(9,952,378)
Unallocated expenses				(1,334,790)
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	-	-	-	-

NOTE 24: EVENTS AFTER THE BALANCE SHEET DATE

On 4 July, 25 July, 5 September and 13 September 2018 a total of 85,276,684 fully paid ordinary shares were issued pursuant to the exercise of 85,276,684 EDEO 3 cents options.

On 9 July 2018 Eden signed a binding Memorandum of Agreement with KC Industry Co., Ltd., a leading Korean precast concrete manufacturer, to jointly develop EdenCrete® enriched concrete, mortar and grout mix designs for use by KC in the Republic of Korea and elsewhere, to improve their technical performance.

On 7 August 2018, Eden's subsidiary Eden Innovations LLC acquired 26.5ha of developed industrial land in Augusta, Georgia for US$1.2 million.

On 13 September 2018, Parchem Construction Supplies Pty Ltd, a leading manufacturer and supplier of products and equipment to the Australian & New Zealand concrete and construction markets, was appointed Eden's first independent distributor, as the exclusive Australian and New Zealand distributor of the EdenCrete® range of products.

There were no other material events occurring after the reporting date.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

NOTE 25: FINANCIAL INSTRUMENTS

a. Financial Risk Exposures and Management

The main risks the company is exposed to through its financial instruments are liquidity risk and credit risk.

i. Liquidity Risk

The Group manages liquidity risk by monitoring forecast cash flows and ensuring that adequate funding is maintained.

The remaining contractual maturities of the Group financial liabilities are:

	2018	**2017**
	$	**$**
12 months or less	1,279,697	2,156,499
1 year or more	984,296	1,154,260
Total	2,263,993	3,310,759

ii. Credit risk

Credit risk refers to the risk that the counterparty will default on its contractual obligations resulting in a financial loss to the company. The Group has adopted a policy of only dealing with credit worthy counterparties and obtaining sufficient collateral or other security where appropriate, as a means of mitigating the risk of financial loss from defaults.

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets, is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the balance sheet and notes to the financial statements.

The Group does not have any material credit risk exposure to any single receivable or group of receivables under financial instruments entered into by the company.

iii. Foreign currency risk

The Group is exposed to fluctuations in foreign currencies arising from the sale and purchase of goods and services in currencies other than the companies' functional currency. At 30 June 2018, the effect on the loss and equity as a result of a 10% increase in the exchange rates, with all other variables remaining constant would be an decrease in loss by $800,000 (2017: decrease of loss of $300,000) and a decrease in equity by $300,000 (2017: $700,000).

iv. Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The group's minimal exposure to interest rate risk, the only asset / liability affected by changes in market interest rates is Cash and cash equivalents.

b. Financial Instruments

Net Fair Values

The aggregate net fair values of financial assets and financial liabilities, at the balance date, are approximated by their carrying values.

NOTE 26: COMPANY DETAILS

The registered office of the company is:
Eden Innovations Limited
Level 15
197 St Georges Terrace
Perth Western Australia 6000

The principal place of business is:
Eden Innovations Limited
Level 15
197 St Georges Terrace
Perth Western Australia 6000

DIRECTORS' DECLARATION

In the opinion of the directors of Eden Innovations Ltd:

a. the financial statements and notes set out on pages 22 to 40, and the Remuneration disclosures that are contained in pages 16 to 18 of the Remuneration Report in the Directors' Report, are in accordance with the Corporations Act 2001, including:

(i) giving a true and fair view of the Group's financial position as at 30 June 2018 and of its performance, for the financial year ended on that date; and

(ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001; and

(iii) complying with International Financial Reporting Standards as disclosed in Note 1.

b. the remuneration disclosures that are contained in pages 16 to 18 of the Remuneration Report in the Directors' Report comply with Australian Accounting Standard AASB 124 Related Party Disclosures and

c. there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable.

The Directors have been given the declarations required by Section 295A of the Corporations Act 2001 from the Executive Chairman and Chief Financial Officer for the financial year ended 30 June 2018.

This declaration is made in accordance with a resolution of the Board of Directors.

Douglas H Solomon
____

Douglas H Solomon

Director

Dated this 27th day of September 2018

Nexia Australia

Independent Auditor's Report to the Members of Eden Innovations Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Eden Innovations Ltd (the Company and its subsidiaries (the Group)), which comprises the consolidated statement of financial position as at 30 June 2018, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

(i) giving a true and fair view of the Group's financial position as at 30 June 2018 and of its performance for the year then ended; and

(ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty relating to going concern

Without modifying our opinion, we draw attention to Note 1 of the Financial Report, which indicates that the Group will require further funding in the next twelve months from the date of this report to fund its planned operating costs. These conditions, 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 asses and discharge its liabilities in the normal course of business.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the Material Uncertainty Related to Going Concern section, we have determined the matter described below to be the key audit matter to be communicated in our report.

Nexia Perth Audit Services Pty Ltd
ACN 145 447 105
Level 3, 88 William Street
Perth WA 6000
GPO Box 2570, Perth WA 6001
p +61 8 9463 2463
f +61 8 9463 2499
e audit@nexiaperth.com.au
w nexia.com.au

<table>
<tr><th>Key audit matter</th><th>How our audit addressed the key audit matter</th></tr>
<tr><td>

CGU impairment assessment

As at 30 June 2018 the Group's EdenCrete and Optiblend cash generating units (CGUs) comprised property plant and equipment (PPE) and intangible assets. The carrying values of PPE and intangible assets as at 30 June 2018 were, respectively, $10,690,384 (2017: $10,463,280) and $4,907,542 (2017: $3,711,401). Impairment was assessed by the Group at the CGU level by considering if impairment indicators were present. Management determined that there were no such indicators of impairment.

The impairment assessment for the CGUs is a key audit matter due to:

- the significance of the Property, Plant and Equipment and Intangible Assets balances to the statement of financial position; and
- the judgement involved in the impairment indicator assessment due to the need to make estimates about future events and other circumstances.

</td><td>

We performed the following procedures, among others, to evaluate the Group's impairment assessment:

• assessed management's determination of the Group's CGUs based on our understanding of the nature of the Group's business and the economic environment in which the segments operate. We also analysed the internal reporting of the Group to assess how earnings streams are monitored and reported;

• compared actual sales performance for the year to sales of the preceding year;

• enquired of management and inspected a selection of Board of Directors' meeting minutes to assess whether there were any:

- observable indications that the asset values have declined during the year significantly more than would be expected as a result of the passage of time or normal use;
- significant changes with an adverse effect on the entity that have taken place during the year, or will take place in the near future, in the technological, market, economic or legal environment in which the entity operates or in the market to which an asset is dedicated; or
- significant changes with an adverse effect on the entity during the year, or any are expected to take place in the near future, in the extent to which, or manner in which, an asset is used or is expected to be used.

• We also considered whether:

- movements in market interest rates or other market rates of return on investments during the year are likely to affect the discount rate used in calculating an asset's value in use and decrease the asset's recoverable amount materially;
- there was evidence of obsolescence or physical damage of assets comprising the CGUs; and
- the market capitalisation of the Group was significantly lower than Eden Innovation's net assets at balance date.

</td></tr>
</table>

Other information

The directors are responsible for the other information. The other information comprises the information in Eden Innovations Limited's annual report for the year ended 30 June 2018, but does not include the consolidated financial report and the auditor's report thereon.

Our opinion on the consolidated financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of the other information we are required to report that fact. We have nothing to report in this regard.

Directors' responsibility for the financial report

The directors of the Company are responsible for the preparation of the consolidated 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 financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial report, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the entity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibility for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at The Australian Auditing and Assurance Standards Board website at: www.auasb.gov.au/auditors_responsibilities/ar1.pdf. This description forms part of our auditor's report.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 16 to 18 of the Directors' Report for the year ended 30 June 2018.

In our opinion, the Remuneration Report of Eden Innovations Limited for the year ended 30 June 2018, complies with Section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

NPAS

Nexia Perth Audit Services Pty Ltd

Amar Nathwani

Amar Nathwani | Director

Perth
27 September 2018

ADDITIONAL INFORMATION FOR LISTED PUBLIC COMPANIES

The following additional information is required by the Australian Securities Exchange Ltd.

1. Shareholding as at 17 September 2018

a. Distribution of Shareholders

Category (size of holding)	**Number Ordinary**
1 – 1,000	219
1,001 – 5,000	1,064
5,001 – 10,000	1,050
10,001 – 100,000	3,555
100,001 – and over	1,296
	7,184

b. The number of shareholdings held in less than marketable parcels is 2,551.

c. The names of the substantial shareholders listed in the holding company's register as at 17 September 2018 are:

Shareholder	**Number Ordinary**
Noble Energy Pty Ltd	594,555,077

d. Voting Rights

The voting rights attached to each class of equity security are as follows:

Ordinary shares - Each ordinary share is entitled to one vote when a poll is called, otherwise each member present at a meeting or by proxy has one vote on a show of hands.

e. 20 Largest Shareholders — Ordinary Shares

	Name	**Number of Shares**	**% Issued Capital**
1.	Noble Energy Pty Ltd	549,938,847	37.46%
2.	Noble Energy Pty Ltd	44,616,230	3.04%
3.	Arkenstone Pty Ltd <G H Solomon Family Inv A/c>	30,897,006	2.10%
4.	Citicorp Nominees Pty Ltd	26,934,580	1.83%
5.	March Bells Pty Ltd	25,845,765	1.76%
6.	Mr & Mrs Rogerson & Miss C Rogerson <The Rogerson Super Fund A/c>	24,229,750	1.65%
7.	HSBC Custody Nominees (Australia) Limited	18,857,928	1.28%
8.	Mr Wayne Kearney & Mrs Robyn Kearney <Kearney Super A/c>	12,205,516	0.83%
9.	J P Morgan Nominees Australia Limited	10,041,348	0.69%
10.	Speliza Investments Pty Ltd <Greysmed P/L Super Fund A/c>	10,003,815	0.68%
11.	Kalsie Holdings Pty Ltd <Iyer Superfund A/c>	9,230,610	0.63%
12.	Mr Douglas Solomon	8,805,401	0.60%
13.	Mr Gregory Solomon	7,540,915	0.51%
14.	Mr Boris Duka & Mrs Elizabeth Ann Duka	6,550,000	0.45%
15.	BNP Paribas Noms Pty Ltd	6,421,073	0.44%
16.	DM Capital Management Pty Ltd <McEvoy Family A/c>	6,036,114	0.41%
17.	Paddocks Superannuation Pty Ltd <Paddocks Super Fund A/c>	6,208,000	0.42%
18.	Norman Maher	5,347,915	0.37%
19.	Miss Michelle Hawksley <MHawksley Family A/c>	5,321,344	0.36%
20.	Ultimate Site Development Pty Ltd	5,024,228	0.34%
		820,056,385	55.85%

ADDITIONAL INFORMATION FOR LISTED PUBLIC COMPANIES

e. 20 Largest Optionholders — EDEO

Name		Number of Options	% of Issued
1.	Kalsie Holdings Pty Ltd <Iyer Super Fund A/c>	7,900,000	13.68%
2.	Miss Michelle Hawksley <Mhawksley Family A/c>	5,139,525	8.90%
3.	Elysian Islands Pty Ltd <Elysian Islands S/f A/c>	3,800,000	6.58%
4.	Christopher Williams <CS Williams Family A/c>	3,065,591	5.31%
5.	Mr Boris Duka & Mrs Elizabeth Ann Duka	2,530,819	4.38%
6.	Ultimate Site Development Pty Ltd	2,014,776	3.49%
7.	Michael Wilmot	2,000,240	3.46%
8.	ABN Amro Clearing Sydney Nominees Pty Ltd <Custodian A/c>	1,627,453	2.82%
9.	Robert Taylor & Margaret Taylor <RWT S/F A/c>	1,592,466	2.75%
10.	Daniel Palin	1,333,333	2.31%
11.	Paddocks Superannuation Pty Ltd <Paddocks Super Fund A/c>	1,055,000	1.83%
12.	Allan Burge <Burge Education A/c>	1,050,000	1.82%
13.	Don Withers Electrical Pty Ltd	1,000,000	1.73%
14.	Emilio Mosca & Anna Mosca <Mosca Super Fund A/c>	1,000,000	1.73%
15.	Happy Giraffe Investments Pty Ltd	953,036	1.65%
16.	Jeffrey Taylor	716,547	1.24%
17.	Donal O'Sullivan	700,000	1.21%
18.	Norman Maher	641,144	1.11%
19.	Steven Anderson	625,000	1.08%
20.	Font SF Pty Ltd <Fontanalice Pty Ltd A/c>	600,000	1.04%
		39,344,930	68.12%

2. Unquoted Securities – Options as at 17 September 2018

Holder Name	Date of Expiry	Exercise Price	Number on issue	Number of holders
Employee Share Options	28 February 2019	$0.095	5,550,000	14
Employee Share Options	28 February 2020	$0.27	25,532,462	25
Employee Share Options	30 November 2020	$0.25	330,000	1
Employee Share Options	30 April 2021	$0.275	170,000	1
Employee Share Options	26 April 2021	$0.20	4,800,000	2
Odeon Capital Group LLC	1 March 2019	$0.40	5,000,000	1
Odeon Capital Group LLC	1 March 2019	$0.48	5,000,000	1
Maxim Partners LLC	19 May 2019	$0.2875	2,250,000	1
Maxim Partners LLC	19 May 2019	$0.3875	1,125,000	1
Hudson Bay Master Fund Ltd	19 May 2019	$0.31	10,865,000	1
CVI Investments Inc	19 May 2019	$0.31	11,625,000	1
			72,247,462	49

eden

Innovations that work.™

www.edeninnovations.com