

Appendix 4E

Unaudited Preliminary Financial Report Year Ending 30 June 2020

The current reporting period is the year ended 30 June 2020. The previous corresponding period is the year ended 30 June 2019.

Results for announcement to the market:

		30 June 2020 \$000's	30 June 2019 \$000's	% Change	Up / Down
2.1	Revenue from ordinary activities	2,427	2,335	4%	Up
2.2	Loss from ordinary activities after tax attributable to shareholders	(9,106)	(9,216)	1%	Down
2.3	Loss for the year attributable to shareholders	(8,624)	(8,594)	0%	Up

Operating Results

Revenues and the loss from ordinary activities for the year were in-line with the year ending 30 June 2019.

	30 June 2020 \$000's	30 June 2019 \$000's	% Change
EdenCrete® Sales	1,498	1,615	-7%
OptiBlend® Sales	929	720	29%
Total Sales	2,427	2,335	4%

Financial Position

During the financial year, net assets of the company and its controlled entities decreased by \$5.3 million from \$21.0 million as at 30 June 2019 to \$15.7 million as at 30 June 2020 primarily a result of financing facilities used during the year.

Dividends and Other Returns to Shareholders

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

Net tangible assets per share

	30 June 2020	30 June 2019
Net tangible* assets per share	\$0.0044	\$0.0087

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

Audit

This preliminary financial report is based on accounts which are in the process of being audited. No disputes or qualifications are likely to occur. As the company and its controlled entities are currently reliant on raising capital to continue as a going concern, material uncertainty related to going concern may be included in the audit report.

This announcement was authorised by Aaron Gates.
For further information please contact Aaron Gates on +61 8 9282 5889.

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

	Note	Consolidated Group	
		2020	2019
		\$	\$
Revenue		2,427,105	2,334,901
Other income		4,034	28,046
Changes in inventories		(54,646)	82,586
Raw materials and consumables used		(504,926)	(489,447)
Depreciation and amortisation expense		(1,290,148)	(1,089,362)
Employee benefits expense		(5,482,160)	(5,526,330)
Finance costs		(477,371)	(34,167)
Other financial items		19,408	(8,893)
Other expenses		(3,775,078)	(4,587,341)
Loss before income tax		(9,133,782)	(9,290,007)
Income tax (expense)/benefit		27,791	73,687
Loss for the year		(9,105,991)	(9,216,320)
Other Comprehensive Income / Loss)			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Foreign currency translation reserve		482,298	622,754
Income tax relating to comprehensive income		-	-
Total Other Comprehensive Income / (Loss), net of tax		482,298	622,754
Total Comprehensive Income / (Loss) attributable to members of the parent		(8,623,693)	(8,593,566)
Basic/Diluted loss per share (cents per share)	2	(0.5316)	(0.5969)

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2020

	Note	Consolidated Group	
		2020	2019
		\$	\$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents		1,388,683	3,217,555
Trade and other receivables		396,366	315,267
Inventories		701,781	735,290
Other current assets		98,084	58,307
TOTAL CURRENT ASSETS		2,584,914	4,326,419
NON-CURRENT ASSETS			
Property, plant and equipment		11,999,422	12,463,621
Intangible assets		8,223,113	6,524,192
TOTAL NON-CURRENT ASSETS		20,222,535	18,987,813
TOTAL ASSETS		22,807,449	23,314,232
CURRENT LIABILITIES			
Trade and other payables		878,389	1,069,010
Interest bearing liabilities		816,566	247,422
Provisions		180,313	156,954
TOTAL CURRENT LIABILITIES		1,875,268	1,473,386
NON-CURRENT LIABILITIES			
Interest bearing liabilities		5,181,439	772,355
Other liabilities		18,230	28,757
TOTAL NON-CURRENT LIABILITIES		5,199,669	801,112
TOTAL LIABILITIES		7,074,937	2,274,498
NET ASSETS		15,732,512	21,039,734
EQUITY			
Issued capital		105,503,776	102,636,700
Reserves		9,885,426	8,953,733
Accumulated losses		(99,656,690)	(90,550,699)
TOTAL EQUITY		15,732,512	21,039,734

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR YEAR ENDED 30 JUNE 2020

	Fully Paid Ordinary Shares	Option Reserve	Foreign Currency Translation Reserve	Accumulated Losses	Total
	\$	\$	\$	\$	\$
Balance at 30 June 2018	91,230,956	7,668,777	196,216	(81,334,379)	17,761,570
Shares issued during the year, net of issue costs	11,405,744	-	-	-	11,405,744
Options issued during the year	-	465,986	-	-	465,986
Loss for year	-	-	-	(9,216,320)	(9,216,320)
Other comprehensive income	-	-	622,754	-	622,754
Total comprehensive income/(loss)	-	-	622,754	(9,216,320)	(8,593,566)
Balance at 30 June 2019	102,636,700	8,134,763	818,970	(90,550,699)	21,039,734
Shares issued during the year, net of issue costs	2,867,076	-	-	-	2,867,076
Share based payments during the year	-	449,395	-	-	449,395
Loss for year	-	-	-	(9,105,991)	(9,105,991)
Other comprehensive income	-	-	482,298	-	482,298
Total comprehensive income/(loss)	-	-	482,298	(9,105,991)	(8,623,693)
Balance at 30 June 2020	105,503,776	8,584,158	1,301,268	(99,656,690)	15,732,512

CONSOLIDATED STATEMENT OF CASH FLOWS FOR YEAR ENDED 30 JUNE 2020

	Note	Consolidated Group	
		2020	2019
		\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		2,441,797	2,400,657
Payments to suppliers and employees		(9,610,450)	(9,623,820)
Income taxes paid / (received)		27,791	73,687
Interest paid		(119,376)	(27,677)
Interest received		3,688	3,167
Net cash used in operating activities		(7,256,550)	(7,173,986)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(97,120)	(1,980,308)
Payment for research and development		(2,299,773)	(2,068,407)
Net cash used in investing activities		(2,396,893)	(4,048,715)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of shares, net of issue costs		2,843,473	11,298,297
Proceeds from borrowings, net of borrowing costs		8,125,557	-
Repayment of borrowings		(3,122,254)	(355,086)
Net cash provided by financing activities		7,846,776	10,943,211
Net increase (decrease) in cash held		(1,806,667)	(279,490)
Net increase (decrease) due to foreign exchange movements		(22,205)	7,315
Cash at beginning of financial year		3,217,555	3,489,730
Cash at end of financial year		1,388,683	3,217,555

Eden Innovations Ltd
Unaudited Preliminary Financial Report
For the year ended 30 June 2020

NOTE 1: BASIS OF PREPERATION

The financial information included in this document for the year ended 30 June 2020 is unaudited. The financial information does not constitute Eden Innovations Ltd and its controlled entities (the "Group") full financial statements for the year ended 30 June 2020, which will be approved by the board, reported on by the auditors and filed with the Australian Securities and Investment Commission. The Group's full financial statement will be prepared in accordance with the requirements of the Corporations Act 2001, Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board.

The financial information in this document for the year ended 30 June 2020 has been prepared on the basis of accounting policies and methods of computation consistent with those applied in the 30 June 2019 financial statements contained within the 2019 Annual Report of the Group. As required and unless stated otherwise, comparative statutory financial information for the Group has been presented for the 2019 financial year. Comparative figures have been prepared on the same basis as the current year figures.

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

AASB 16 *Leases* – There were no changes required to the consolidated financial report to recognise the revised requirements of AASB 16.

NOTE 2: EARNINGS PER SHARE (EPS)

	2020	2019
	\$	\$
a. Reconciliation of earnings to profit or loss		
Profit/(loss)	(9,105,991)	(9,216,320)
Earnings used to calculate basic EPS	(9,105,991)	(9,216,320)
b. Weighted average number of ordinary shares outstanding during the year used in calculating basic EPS	1,712,911,601	1,544,110,867

The options on issue are not potentially dilutive shares.

Eden Innovations Ltd
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NOTE 3: SEGMENT REPORTING

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

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

	Eden Innovations LLC	Eden Innovations India Pvt Ltd	Eliminations	Consolidated Entity
	\$	\$	\$	\$
2020				
External sales	2,271,499	155,606	-	2,427,105
Internal sales	2,072,757	-	(2,072,757)	-
Total segment revenue	4,344,256	155,606	(2,072,757)	2,427,105
Segment Result	(5,744,154)	(109,036)	(253,601)	(6,106,791)
Unallocated expenses				(2,549,620)
Result from operating activities				(8,656,411)
Finance costs				(477,371)
Loss before income tax				(9,133,782)
Income tax benefit				27,791
Loss after income tax				(9,105,991)
Segment assets	14,194,405	276,950	-	14,471,355
Unallocated assets				8,336,094
Total assets				22,807,449
Segment liabilities	6,619,177	526,972	-	7,146,149
Unallocated liabilities				(71,212)
Total liabilities				7,074,937
Capital expenditure	97,120	-	-	97,120
Depreciation and amortisation	818,040	-	472,108	1,290,148
Impairment expense	-	-	9,604	9,604
2019				
External sales	2,021,064	313,837	-	2,334,901
Internal sales	1,920,087	-	(1,920,087)	-
Total segment revenue	3,941,151	313,837	(1,920,087)	2,334,901
Segment Result	(6,060,223)	98,243	(338,571)	(6,300,551)
Unallocated expenses				(2,955,289)
Result from operating activities				(9,255,840)
Finance costs				(34,167)
Loss before income tax				(9,290,007)
Income tax benefit				73,687
Loss after income tax				(9,216,320)
Segment assets	13,839,397	340,364	-	14,179,761
Unallocated assets				9,134,471
Total assets				23,314,232
Segment liabilities	2,015,006	497,179	-	2,512,185
Unallocated liabilities				(237,687)
Total liabilities				2,274,498
Capital expenditure	2,151,726	-	-	2,151,726
Depreciation and amortisation	726,003	-	363,359	1,089,362
Impairment expense	-	-	-	-