

Appendix 4C

Quarterly cash flow report for entities subject to Listing Rule 4.7B

Name of entity

Eden Innovations Ltd

ABN

58 109 200 900

Quarter ended ("current quarter")

31 March 2020

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	628	1,686
1.2 Payments for		
(a) research and development	(515)	(1,794)
(b) product manufacturing and operating costs	(756)	(1,964)
(c) advertising and marketing	(160)	(296)
(d) leased assets	-	-
(e) staff costs	(1,228)	(4,068)
(f) administration and corporate costs	(466)	(1,177)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	3
1.5 Interest and other costs of finance paid	(65)	(88)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	(2,562)	(7,698)
2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	(5)	(82)
(d) investments	-	-
(e) intellectual property	-	-
(f) other non-current assets	-	-

For personal use only

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
2.2 Proceeds from disposal of:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	-	-
(d) investments	-	-
(e) intellectual property	-	-
(f) other non-current assets	-	-
2.3 Cash flows from loans to other entities	-	-
2.4 Dividends received (see note 3)	-	-
2.5 Other (provide details if material)	-	-
2.6 Net cash from / (used in) investing activities	(5)	(82)

3. Cash flows from financing activities		
3.1 Proceeds from issues of equity securities (excluding convertible debt securities)	-	2,908
3.2 Proceeds from issue of convertible debt securities	-	-
3.3 Proceeds from exercise of options	-	-
3.4 Transaction costs related to issues of equity securities or convertible debt securities	-	(49)
3.5 Proceeds from borrowings	2,815	2,926
3.6 Repayment of borrowings	-	(301)
3.7 Transaction costs related to loans and borrowings	(263)	(263)
3.8 Dividends paid	-	-
3.9 Other (provide details if material)	-	-
3.10 Net cash from / (used in) financing activities	2,552	5,221

4. Net increase / (decrease) in cash and cash equivalents for the period		
4.1 Cash and cash equivalents at beginning of period	695	3,228
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(2,562)	(7,698)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	(5)	(82)

For personal use only

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	2,552	5,221
4.5	Effect of movement in exchange rates on cash held	77	88
4.6	Cash and cash equivalents at end of period	757	757

5. Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts		Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	757	695
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	757	695

**6. Payments to related parties of the entity and their
associates**

- 6.1 Aggregate amount of payments to related parties and their
associates included in item 1
- 6.2 Aggregate amount of payments to related parties and their
associates included in item 2

Current quarter \$A'000
298
-

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments

Directors Fees and superannuation were paid during the quarter.
Management Fees, as per agreement, were paid during the quarter to a company of which Mr GH Solomon and Mr DH Solomon are directors.
Legal Fees were paid during the quarter to a firm of which Mr GH Solomon and Mr DH Solomon are partners.
Consulting fees and travel expense reimbursements were paid to Dunmead Global Consulting LLC, an entity related to S Dunmead, during the quarter.

Quarterly cash flow report for entities subject to Listing Rule 4.7B

7. Financing facilities <i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1 Loan facilities	3,012	3,012
7.2 Credit standby arrangements		
7.3 Other (please specify)		
7.4 Total financing facilities	3,012	3,012

7.5 **Unused financing facilities available at quarter end** -

7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.

As at 31 March 2020 Eden had a 2 year US\$1.85m secured loan from Sachem Capital Corporation with interest at 12%.

Subsequent to the end of the quarter, Noble Energy Pty Ltd (a 100% subsidiary of Tasman Resources Ltd) provided Eden with an interest free, unsecured loan of \$200,000 with no fixed term.

Subsequent to the end of the quarter, Eden US has had a U.S. CARES Act SBA loan application approved for approximately US\$634,000. The precise amount of the loan that has been approved, the full terms and conditions, and the anticipated funding date should be known in the near future.

Subsequent to the end of the quarter, Eden repaid the existing US\$1.85 million in secured US debt financing from Sachem Capital Corporation (the "Original Loan") secured against Eden's two freehold properties in Colorado, U.S, replacing it with a new loan, secured against Eden's three US properties, for the sum of US\$3.00 million. See EDE: ASX Announcement of 28 April 2020 for full details.

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (Item 1.9)	(2,562)
8.2 Cash and cash equivalents at quarter end (Item 4.6)	757
8.3 Unused finance facilities available at quarter end (Item 7.5)	-
8.4 Total available funding (Item 8.2 + Item 8.3)	757
8.5 Estimated quarters of funding available (Item 8.4 divided by Item 8.1)	0.3

8.6 If Item 8.5 is less than 2 quarters, please provide answers to the following questions:

- Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

Answer:

Eden is expecting a progressive increase in sales in the coming quarters due to growth in new customers and potential customers which should reduce the net operating cash flow required for operating activities.

For personal use only

2. Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Answer:

Subsequent to the end of the quarter, Noble Energy Pty Ltd (a 100% subsidiary of Tasman Resources Ltd) provided Eden with an interest free, unsecured loan of \$200,000 with no fixed term.

Subsequent to the end of the quarter, Eden US had a U.S. CARES Act SBA loan application approved for approximately US\$634,000. The precise amount of the loan that has been approved, the full terms and conditions, and the anticipated funding date should be known in the near future.

Subsequent to the end of the quarter, Eden repaid the existing US\$1.85 million in secured US debt financing (the "Original Loan") secured against Eden's two freehold properties in Colorado, U.S., replacing it with a new loan, secured against Eden's three US properties, for the sum of US\$3.00 million (the "Replacement Loan"). See EDE: ASX Announcement of 28 April 2020 for full details.

The Company is currently also considering a number of other alternative measures for increasing working capital revolving around issuing additional shares, including a potential placement to one or more strategic investors.

3. Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer:

Yes the Company does expect to be able to continue its operations and to meet its business objectives, as a result of:

- a. the probability of increased sales of its products as evidenced by an increasing level of market interest in Eden's products, particularly in the USA; and
- b. the funding measures detailed above which together are expected will result in sufficient funds being raised when required to achieve the Company's business objectives.

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 30 April 2020

Authorised by: Aaron Gates

Company Secretary / CFO

(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.