

ENVIROMISSION LIMITED
A.B.N 52 094 963 238

APPENDIX 4E

PRELIMINARY FINAL REPORT
FOR THE YEAR ENDED 30 JUNE 2018

RESULTS FOR ANNOUNCEMENT TO THE MARKET

Revenue from ordinary activities	Up	630%	to	\$	614,230
Loss from ordinary activities attributable to	Down	-59%	to	\$	808,363
Net loss for the period attributable to members	Down	-59%	to	\$	808,363

No dividend has been paid during the financial year or in the previous corresponding period. No dividend has been proposed or declared since the end of the financial year end.

Revenue from ordinary activities \$614,230 compared to last year's revenue of \$84,162.

Net loss attributable to members \$808,363 compared to last year's loss of \$1,990,633.

Loss per share of 0.14 cents compared with last year's loss of 0.35 cents.

Diluted loss per share of 0.14 cents compared with last year's loss of 0.35 cents.

REVIEW OF OPERATIONS

Operations over the financial year ended 30 June 2018 have been directed to satisfying ASX requirements necessary to resolve the suspension of the EnviroMission Limited quotation from the ASX trading platform that was imposed in 2016.

Core operations have included actions to maintain the development and project opportunity for Solar Tower power station technology and the raising of the project and operating capital necessary to support the opportunity for Solar Tower development for the benefit of the shareholders of EnviroMission; both objectives are demonstrated through outcomes disclosed to the market in the last financial quarter of 2018.

EnviroMission entered into a formal agreement with Atkins Acuity – the financial advisory division of SNC Lavalin (19 April 2018) – this agreement defined a mandate for Atkins Acuity to raise 'the necessary development and project capital on a non-exclusive basis for the development of the EnviroMission La Paz Solar Tower in Arizona'.

EnviroMission also executed an MOU with Texas based Apollo Developments LLC to form a strategic alliance to progress development of Solar Tower technology in the United States (26 April 2018).

Apollo has committed to raise project and operating capital to progress the development of 'multiple Solar Towers, including the proposed EnviroMission Arizona Solar Tower'.

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

	Consolidated Group	
	2018	2017
	\$	\$
Revenue from ordinary activities	614,230	84,162
	<u>614,230</u>	<u>84,162</u>
Unrealised foreign currency gains	(5,753)	-
Employee benefits expense	(121,913)	(117,963)
Contracting & consulting costs	(773,460)	(1,421,334)
Corporate costs	(156,213)	(194,995)
Occupancy costs	(123,364)	(62,291)
Travel costs	(253)	(547)
Administrative expenses from ordinary activities	(210,739)	(219,711)
Audit Fees	(12,450)	(37,000)
Depreciation and amortisation expense	(8,061)	(11,065)
Finance costs	(10,387)	(9,890)
Loss before income tax expense	<u>(808,363)</u>	<u>(1,990,634)</u>
Income tax expense	-	-
Loss after income tax	<u>(808,363)</u>	<u>(1,990,634)</u>
Other comprehensive income:		
Items that may be reclassified to profit or loss when specific conditions are met		
Exchange difference on translating foreign controlled entities	(60,009)	19,784
	<u>(60,009)</u>	<u>19,784</u>
Total comprehensive income for the period	<u>(868,372)</u>	<u>(1,970,850)</u>
Loss attributable to:		
Members of EnviroMission Limited	(808,363)	(1,990,634)
Non-controlling interest	-	-
	<u>(808,363)</u>	<u>(1,990,634)</u>
Total comprehensive income attributed to:		
Members of EnviroMission Limited	(60,009)	19,784
Non-controlling interest	-	-
	<u>(60,009)</u>	<u>19,784</u>
Earnings per share		
Basic loss per share (cents)	(0.14)	(0.35)
Diluted loss per share (cents)		

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2018**

	Consolidated Group	
	2018	2017
	\$	\$
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	9,596	3,487
Trade and other receivables	355,413	982,233
TOTAL CURRENT ASSETS	<u>365,009</u>	<u>985,720</u>
NON-CURRENT ASSETS		
Property, plant and equipment	27,293	34,482
Other non-current assets	21,289	17,365
Intangibles	1,175,139	1,166,278
TOTAL NON-CURRENT ASSETS	<u>1,223,721</u>	<u>1,218,125</u>
TOTAL ASSETS	<u>1,588,730</u>	<u>2,203,845</u>
LIABILITIES		
CURRENT LIABILITIES		
Trade and other payables	3,269,316	2,540,541
Deferred income	338,249	298,818
Borrowings	314,465	965,717
Provision	48,184	38,546
TOTAL CURRENT LIABILITIES	<u>3,970,214</u>	<u>3,843,622</u>
NON-CURRENT LIABILITIES		
Trade and other payables	1,380	1,332
Borrowings	50,753	61,136
TOTAL NON-CURRENT LIABILITIES	<u>52,133</u>	<u>62,468</u>
TOTAL LIABILITIES	<u>4,022,347</u>	<u>3,906,090</u>
NET ASSETS	<u>(2,433,617)</u>	<u>(1,702,245)</u>
EQUITY		
Issued capital	41,123,478	40,986,478
Reserves	239,375	299,384
Accumulated losses	(43,796,470)	(42,988,107)
TOTAL EQUITY	<u>(2,433,617)</u>	<u>(1,702,245)</u>

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

	Ordinary Share Capital	Accumulated Losses	Foreign Currency Translation Reserve	Total
	\$	\$	\$	\$
Consolidated Group				
Balance as at 1 July 2016	40,939,555	(40,997,474)	279,600	221,681
Shares issued during the year	46,923	-	-	46,923
Loss attributable to members of parent entity	-	(1,990,633)	-	(1,990,633)
Other comprehensive income for the year	-	-	19,784	19,784
Balance at 30 June 2017	<u>40,986,478</u>	<u>(42,988,107)</u>	<u>299,384</u>	<u>(1,702,245)</u>
Balance as at 1 July 2017	40,986,478	(42,988,107)	299,384	(1,702,245)
Shares issued during the year	137,000	-	-	137,000
Loss attributable to members of parent entity	-	(808,363)	-	(808,363)
Other comprehensive income for the year	-	-	(60,009)	(60,009)
Balance at 30 June 2018	<u>41,123,478</u>	<u>(43,796,470)</u>	<u>239,375</u>	<u>(2,433,617)</u>

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

	Consolidated Group	
	2018	2017
	\$	\$
Cash flows from operating activities		
Interest income	4	5
Development right fees received	614,224	66,786
Payment to suppliers & employees	(744,673)	(410,955)
Interest paid	(497)	-
Net cash outflow from operating activities	<u>(130,942)</u>	<u>(344,164)</u>
Cash flows from financing activities		
Proceeds from the issue of shares	137,000	46,923
Proceeds from borrowings	-	218,591
Repayment of borrowings	-	(9,195)
Net cash inflow from financing activities	<u>137,000</u>	<u>256,319</u>
Net increase in cash and cash equivalents	6,058	(87,845)
Cash and cash equivalents at the beginning of the financial year	3,487	92,488
Effects of exchange rate changes on the balance of cash and cash equivalents	51	(1,156)
Cash and cash equivalents at the end of the financial year	<u>9,596</u>	<u>3,487</u>
Notes to the condensed consolidated statement of cash flows		
Reconciliation of cash		
Cash on hand and at bank	<u>9,596</u>	<u>3,487</u>

SEGMENT INFORMATION

The Company has one business segment, being the development of Solar Towers as a source of renewable energy and currently operates in two geographical segments, Australia and the United States of America.

ACCUMULATED LOSSES

	Consolidated Group	
	2018	2017
	\$	\$
Accumulated losses at the beginning of the financial period	(42,988,107)	(40,997,474)
Net losses attributable to members	(808,363)	(1,990,633)
Accumulated losses at end of financial period	<u>(43,796,470)</u>	<u>(42,988,107)</u>

EARNINGS PER SHARE

Loss used to calculate basic and dilutive EPS

	Number	Number
Weighted average number of ordinary shares outstanding during the period used in the calculation of basic EPS	563,516,517	563,362,744
Weighted average number of dilutive options outstanding	-	-
Weighted average number of ordinary shares outstanding during the period used in the calculation of diluted EPS	<u>563,516,517</u>	<u>563,362,744</u>

Basic loss per share (cents)

Diluted loss per share (cents)

Potential ordinary shares not considered dilutive

At 30 June 2018, the Company had on issue 72,775,000 unlisted options over unissued capital and had incurred a net loss of \$808,363 (2017: \$1,990,663). Unlisted options are not considered dilutive and have not been included in the calculations of diluted earnings per share.

NET TANGIBLE ASSET BACKING

Net tangible asset backing per ordinary share at 30 June 2018, 0.0223 cents, and at previous corresponding period, 0.095 cents.

EVENTS SUBSEQUENT TO REPORTING DATE

There have been no events subsequent to 30 June 2018 that have had a material effect on the Company that have not been disclosed to ASX via company announcements.

COMPLIANCE STATEMENT

The financial information provided in the Appendix 4E is based on the annual financial report, which is being prepared in accordance with Australian Accounting Standards or standards acceptable to ASX.

This report and the accounts upon which the report is based use the same accounting policies

This report does give a true and fair view of the matters disclosed.

This report is based on accounts which are in the process of being audited, this Appendix 4E has not been subjected to audit.

The financial report is not likely to be the subject of dispute or qualification.

Signed:

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Roger C. Davey
Director