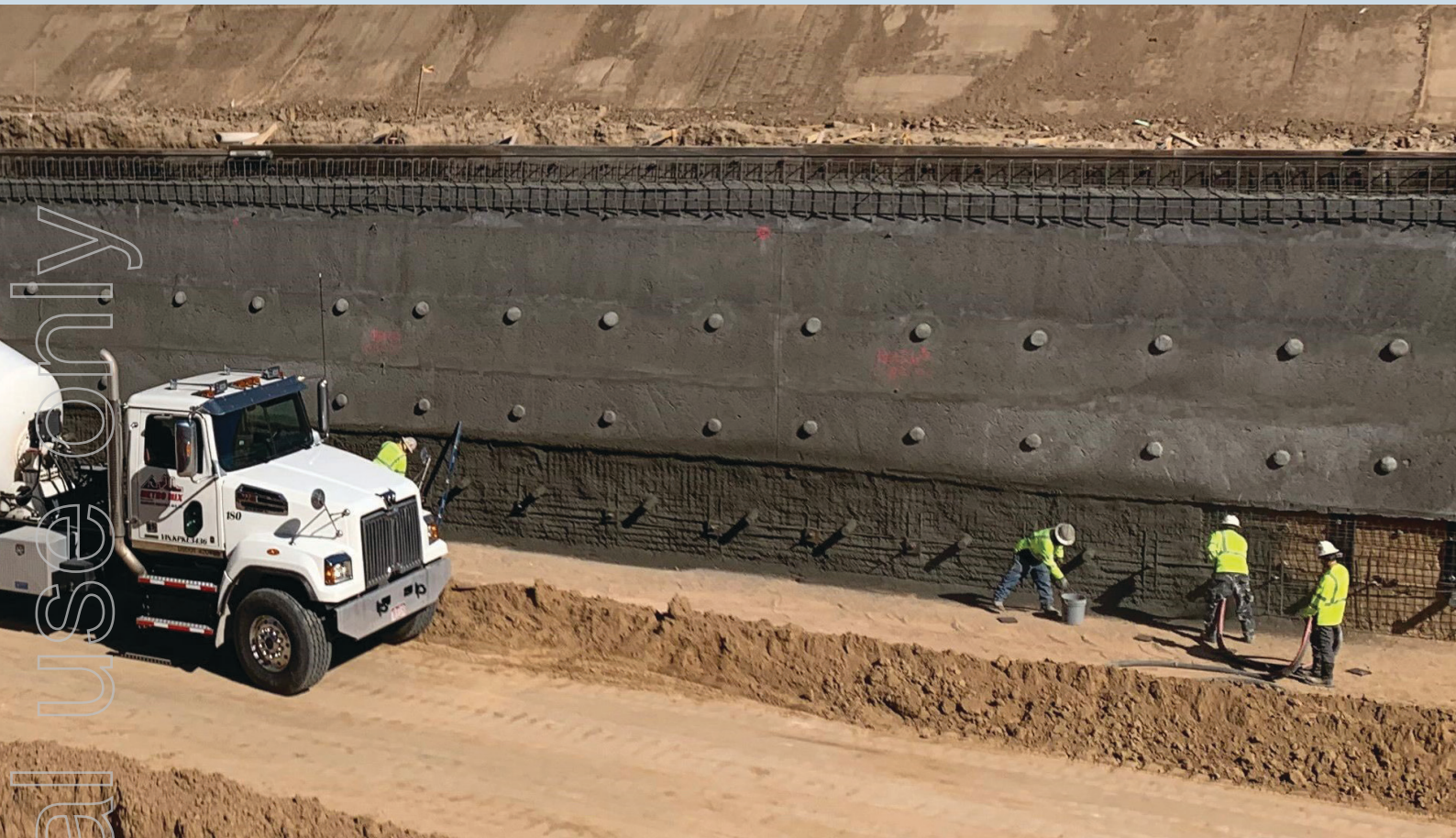


For personal use only



*eden*

Innovations that work.™

**Interim Financial Report**

for the Half-Year Ended 31 December 2021

# CONTENTS

Highlights	2
Corporate Directory	4
Review of Operations	5
Directors' Report	11
Auditor's Independence Declaration	12
Consolidated Statement of Profit or Loss and Other Comprehensive Income	13
Consolidated Statement of Financial Position	14
Consolidated Statement of Changes in Equity	15
Consolidated Statement of Cash Flows	16
Notes to the Financial Statements	17
Directors' Declaration	21
Independent Auditor's Review Report	22

## HIGHLIGHTS

### SALES DURING THE HALF YEAR

	Sales 31 Dec 2021 A\$000's	Sales 31 Dec 2020 A\$000's	Sales % Change
EdenCrete®	761	878	-13%
OptiBlend®	1,263	703	80%
Total	2,024	1,581	28%

In spite of continued disruption by the COVID pandemic to global markets, coupled with bad weather impacting and restricting concrete pouring on current projects in a number of US States:

- 28% increase in period-on-period total US and Indian revenue for first 6 months (H1) of FY22;
- 68% increase in total US Revenue in H1 of FY 22 (US\$1,196,906 ) to FY21 (US\$482,725);
- US\$1,151,000 (A\$1,580,679) worth of EdenCrete® sales in GDOT projects pipeline;
  - Developed low CO<sub>2</sub> , low cost, high fly-ash EdenCrete® Pz concrete mixes for US market;
- India - Second EdenCrete®Pz Order received from Godrej for approx. A\$92,000;
- Indonesian sales agent appointed after half-year for EdenCrete® following successful trials;
- 80% increase in total OptiBlend® revenue in H1 of FY 22 compared with H1 of FY21; and
- Expanding Hythane® rollout in India opens opportunities for Eden India .

#### COVID-19, Omicron and Bad Weather - Impact on Sales

During the six months, the spread around the world of Omicron impacted many businesses including EdenCrete® and OptiBlend® sales in USA and India.

Further extended adverse weather conditions in Georgia delayed many GDOT projects, significantly reducing budgeted US EdenCrete® sales for the six months, as evidenced by the A\$1,580,679 of EdenCrete® required for GDOT projects that are now in the pipeline and for which contracts are already awarded.

#### Market Overview

There has been a significant rise over the past 6 months in:

- the total number of US EdenCrete® projects that are underway or being planned;
- the number of US companies and State DOTs using, trialling or discussing EdenCrete®;
- the size and wide range of US projects and applications (including for both infrastructure projects and commercial projects) where EdenCrete® is being used or likely to be used; and
- the number of US States where these projects are to be carried out.

Eden has successfully developed low CO<sub>2</sub>, low cost, high fly ash concrete mixes for US market using EdenCrete® Pz (see below for more details) which is generating significant interest.

### Market Overview (Continued)

Positive review of the performance of EdenCrete® concrete at Atlantic Transfer Station after 8 months use; EdenCrete® being considered for at least 1 new project.

Shotcrete customers in 5 States [Colorado, Georgia, South Carolina, North Carolina, Tennessee] and trials with potential customers in 2 new States [Mississippi and Texas].

Further repair project planned for Denver International Airport.

Several Eden staff who attended the recent World of Concrete convention in the US reported a very high level of serious interest in the possible use of EdenCrete® products across all concrete applications.

Market interest in EdenCrete® is growing rapidly in India, Australia and Indonesia:

- In India, a huge market for EdenCrete® products, a second order for approx. \$92,000 of EdenCrete®Pz from Godrej Construction has been despatched. Further Indian orders over the next 12 months are expected as Godrej rolls out the range of concrete mixes in four Indian cities.
- In Australia, a number of major trials are underway for commercial and infrastructure projects.
- In Indonesia, also a very large potential market, the recent appointment of an Indonesian sales agent following successful trials with 2 large concrete companies, should generate early sales.

The OptiBlend® dual fuel system is generating growing interest and demand in India and USA.

Restrictions in a number of Indian States imposed on running diesel generators solely on diesel fuel led to two diesel generator manufacturers as well as other diesel generator distributors exploring with Eden India the possibility of selling Eden's OptiBlend® kits in conjunction with their diesel generators. This development could significantly increase OptiBlend® sales over the next 12-24 months.

Ongoing EdenPlast® trials by a plastics company in Japan over the next few months, if successful, are anticipated to result in the first commercial sales of Eden Plast®.

After a long period when there was little market interest in hydrogen and Hythane®, Eden is presently in separate discussions with a significant Indian company and a significant European company in relation to the separate possible collaborations using Eden's hydrogen and Hythane® technologies.

After a significant impact on sales from COVID-19 over the past 2 years, Eden is confident of a significant increase in the number of projects and volume of sales across its product range, not only in the USA but around the world, during the remainder of 2022 and beyond.

## 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** B.Com, CA, AGIA

### REGISTERED OFFICE:

Level 15

197 St Georges Terrace

Perth

Western Australia 6000

Tel +61 8 9282 5889

Email: [mailroom@edeninnovations.com](mailto:mailroom@edeninnovations.com)

Website: [www.edeninnovations.com](http://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] EDEO [5 cent options]

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



## REVIEW OF OPERATIONS

### EDENCRETE®

#### Edencrete® Sales – H1 FY22

- EdenCrete® US Sales – A\$760,769 [US\$557,342]
- EdenCrete® India – 2nd Order Received [A\$92,000]

### US EDENCRETE® MARKET

#### Georgia Department of Transportation (GDOT) Projects

GDOT sales during the six months would have been greater but for bad weather that considerably slowed progress on a number of current projects. At 31 December 2021 there were pending sales of US\$1,151,000 [A\$1,580,679] of EdenCrete® required under awarded GDOT contracts for GDOT projects.

Current GDOT Projects that are underway and anticipated revenue:

- I675/75 Full depth slab replacement:
  - Estimated 10,200 yards of concrete;
  - Estimated 21,400 gals of EdenCrete®; and
  - US\$535,000 in revenue.
- GDOT - DOT002366 Maintenance project:
  - 500 yards of concrete ;
  - 1000 gallons of EdenCrete®; and
  - US\$25,000 in revenue.
- GDOT District 7 Maintenance and repair Fulton/Cobb Co:
  - 500 yards of concrete ;
  - 1000 gallons of EdenCrete®; and
  - US\$25,000 in revenue .

Forthcoming GDOT Projects and anticipated revenue:

- GDOT Gwinnett Co. Hwy 316 Full depth slab replacement:
  - 1500 yards of concrete;
  - 3000 gallons of EdenCrete®; and
  - US\$75,000 in revenue; and
  - Project scheduled to start Mid Feb 2022.
- GDOT I85 Banks Co. Maintenance Project:
  - 1000 yards of concrete;
  - 2000 gallons of EdenCrete®;
  - US\$50,000 in revenue; and
  - Start date is yet to be determined.
- GDOT /Federal Highway Administration - I85 Troup County Ga:
  - 8600 yards of full depth slab replacement;
  - 17,200 Gallons of EdenCrete®;
  - US\$430,000 in revenue for project that may take up to a year; and
  - Contract has been awarded; mid-April 2022 start date scheduled.
- GDOT McDuffie County SR402 Full Depth Slab Replacement:
  - 220 yards of concrete;
  - 440 gallons of EdenCrete®; and
  - US\$11,000 in revenue.

#### Georgia Port Authority (GPA) Projects

Following successful trials and three smaller GPA projects over the past 2 years, EdenCrete® is now being considered for possible use in suitable applications in forthcoming GPA projects, including:

- Garden City Terminal West expansion phase 2;
- Ocean Terminal Berth update; and
- Colonel's Island Berth 4.

Details of any project that includes EdenCrete® will be announced when a contract is awarded.

## REVIEW OF OPERATIONS (Continued)

### Low CO<sub>2</sub>, low cost, high fly ash concrete mixes developed for US Market with EdenCrete® Pz

Eden US has recently completed the development, at its Colorado laboratory, of a range of low-CO<sub>2</sub>, high-fly ash content concrete mixes that incorporate either EdenCrete® Pz or Pz7. This programme, designed to help our customers optimize the dosage of our EdenCrete® products in their mix designs for cost-efficient strength gain optimization, has been very successful.

With a range of concrete mixes, made using several different brands and types of cements, and compared with the same mixes but with either 20% or 40% fly ash being substituted for an equivalent quantity of cement powder and with a low dosage of EdenCrete® Pz, highly material total cost savings of up to US\$6 per cubic yard of concrete have been achieved, without any reduction in the strength of the concrete.

This project has attracted considerable interest, and Eden has discussions underway or planned with a wide range of potential customers in many states of the US, including large ready mix concrete suppliers. When these cost savings are coupled with the materially reduced Greenhouse Gas footprint delivered benefit as a result of using the far lower CO<sub>2</sub> fly ash, Eden US anticipates that this programme alone will deliver very significant market growth and product sales over the coming years.

### Waste transfer stations

The first ever waste transfer station project using EdenCrete® in the concrete tipping slab that is exposed to extreme wear, was built in Savannah, Georgia for Atlantic Waste Services earlier this year [see Eden's ASX announcement of 12 February 2021].

The order for this project came after a review of the increased abrasion resistance and reduced permeability that EdenCrete® delivers to concrete. The dosage rate used was 4 gallons/cubic yard of concrete, and this still delivered a very cost-effective alternative to a more expensive, epoxy coating treatment that it replaced and which had previously been applied to concrete tipping slabs in other waste transfer stations.

After 8 months of use under very harsh, acidic and abrasive conditions, a positive review of the performance of the EdenCrete® enhanced concrete at Atlantic Waste Transfer Station has resulted in EdenCrete® now being considered for inclusion in similar concrete for at least one proposed new transfer station project.

### Shotcrete Market Growth

There has been a very positive impact from the recently completed shotcrete marketing video. During the period, following the release of Eden's new shotcrete promotional video in June 2021, new shotcrete customers in 4 US States - North Carolina, Tennessee, Mississippi and Georgia - were added to the already existing shotcrete customer base that now spreads across 5 States (Colorado, Georgia, South Carolina, North Carolina and Tennessee) and trials with new potential customers planned in two new States being Mississippi and Texas.

Airports - Further EdenCrete® project planned for Denver International Airport.

Following earlier success in a number of repair projects in the concrete apron outside the United Airlines maintenance hangar [see Eden's ASX announcement 7 September 2021] Eden has been advised that a further repair project that will include the use of EdenCrete® is scheduled for the coming months.

Eden is presently opening discussion with other US agencies in relation to potentially undertaking trials and/or projects at other US airports.

### Marketing video on more durable, longer lasting EdenCrete® concrete planned.

Following the success with the shotcrete marketing video during the six months, Eden is planning a further EdenCrete® marketing video focusing on the significant durability benefits delivered by EdenCrete® to concrete, resulting in stronger, longer lasting, more durable, lower cost concrete.

**Florida DOT**

During the six months, the Florida Department of Transportation (FDOT) added both EdenCrete® and EdenCrete®Pz to its list of approved admixtures.

EdenCrete® is now approved for DOT use in 22 States [EdenCrete®Pz in 17 States], being:

Alabama, Alaska, Arkansas, California, Colorado, Florida, Georgia, Kansas, Kentucky, Louisiana, Maine, Massachusetts, Mississippi, North Carolina, Oklahoma, Oregon, South Carolina, Tennessee, Texas, Vermont, Virginia and West Virginia; and [see Figure 1].

These 22 States represent approximately:

- 55% of the total US population;
- 75,480 bridges\* that are structurally deficient or functionally obsolete;
- 52% of the total number of such bridges in the USA\*; and
- 55% of the total US land area.

With its significantly expanding US sales footprint, the ongoing DOT EdenCrete® trials [particularly for bridges] in various States, plus the approvals for DOT use in 22 States, EdenCrete® is very well placed to participate in the expected significant market growth from an additional US\$110 million under the recently announced US Federal infrastructure programme.

This Federal funding is in addition to US\$905 million of US Federal funding awarded to 24 projects in July 2021 under the Infrastructure for Rebuilding America programme.

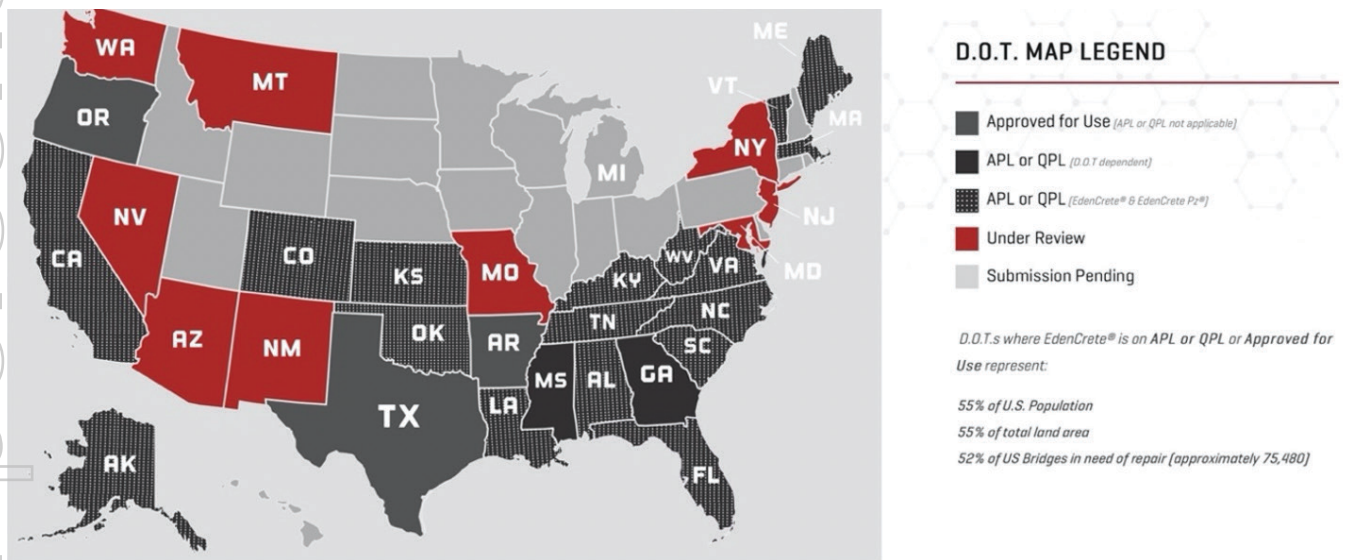


Figure 1. Current Status of US DOT Approvals of EdenCrete® Products

For personal use only



## REVIEW OF OPERATIONS (Continued)

### INTERNATIONAL EDENCRETE® MARKET

#### India - Godrej Construction – Second Order - A\$92,000

Eden Innovations (India) Pvt Limited, the wholly owned subsidiary of Eden Innovations Ltd received its second purchase order from Godrej Construction, the construction division of Godrej & Boyce Manufacturing Co. Ltd (“Godrej”), to supply it with approximately A\$92,000 worth of EdenCrete®Pz for use in its ready-mix concrete operation in several cities (including Mumbai and Pune) in the state of Maharashtra. The first order was received in August 2020.

This second order from Godrej Construction, which is six times larger, followed the successful completion of a significant, 12 months testing and development programme conducted by Godrej Construction using standard concrete mixes from several cities where it operates, that, with the addition of only modest dosages of EdenCrete® Pz, were able to incorporate far higher percentages of fly ash in place of ordinary Portland cement.

As a result, these new concrete mixes were able to deliver stronger, cheaper concrete with far lower CO2 footprints than had been possible without the addition of EdenCrete®Pz.

This second Godrej Construction order is a highly significant development in the commercialization of EdenCrete® products because:

- Not only is it a significant order but it is the first repeat order from outside the USA to be received for any EdenCrete® product;
- The successful testing and development programme undertaken by Godrej Construction occurred during a year when India was greatly impacted by several major challenges including COVID 19 lockdown restrictions and opens the way for Godrej to roll these mixes out in several fast-growing cities in Maharashtra with a combined population of over 50 million people;
- India is estimated to currently produce around 150 million tonnes of fly ash per year and this is estimated to rise to around 500 million tonnes p.a. within the next 5-10 years as scheduled new coal fired power plants come on line;
- India has a population of nearly 1.3 billion people, of whom approximately 800 million live in rural areas;
- India announced in 2019 a US\$1.2 trillion infrastructure programme, that along with the rapidly increasing urbanization, will require very large quantities of concrete; and
- The addition of small dosages of EdenCretePz to

concrete mixes made with less Indian cement and a far higher percentage of Indian fly ash, has led to a number of new concrete mixes, covering a range of performance standards, being developed that all deliver stronger and cheaper concrete, and with each mix having a far lower CO2 footprint than had previously been possible.

A major rollout of EdenCrete® products, and in particular EdenCrete® Pz, across India is expected over the coming years, potentially opening the largest EdenCrete® market in the world. This order had been delayed by both the shortage of shipping containers and restricted shipping options, but the product has now left Colorado, is expected to arrive in India by late March/ early April 2022.

#### Australia – Edencrete® Marketing Progress

Parchem Construction Supplies Pty Ltd, the EdenCrete® products distributor in Australian and New Zealand, has been making progress in the marketing of the EdenCrete® range in both Australia and New Zealand, and a number of trials with potentially significant customers have been undertaken.

One such trial was undertaken in mid-December 2021, at a sugar mill in North Queensland. Sugar, similar to chlorides, is highly corrosive to concrete. Due to the corrosive environment of this operation, ongoing maintenance, repair and sometimes replacement, is constantly required on the concrete slabs. EdenCrete® was identified to be used in this repair trial, for its strength and durability, with an objective of extending the service life of the repaired slab. Further trials are being planned for 2022. The slabs will be monitored over time to determine their durability in this harsh environment.

#### Indonesia – Sales Agent Appointed After Successful Trials Of High Fly Ash Concrete

Following successful trials over the past six months of EdenCrete® Pz in various low CO2, low cost, high-fly ash concrete mixes with an Indonesian concrete company that was introduced by Ai Building Indonesia (“Ai Building”), since the end of the Quarter, Ai Building has been appointed as a commission sales agent for the EdenCrete® range of products for Indonesia.

Indonesia, like India, is a major cement manufacturing country with a large concrete industry, which also has many coal -fired power stations and a significant ongoing supply of fly ash. Similarly, to India, Indonesia is expected to develop into a major market for EdenCrete® products, and in particular for EdenCrete® Pz for use in low CO2, low cost, high fly ash concrete mixes.

## OPTIBLEND®

### OPTIBLEND® SALES FOR THE SIX-MONTHS

	SALES H1 FY 22 [A\$000s]	SALES H1 FY 21 [A\$000s]	% Change
USA	870	116	+651%
INDIA	393	587	-33%
H2 TOTAL	1,263	703	+80%

### OPTIBLEND® MARKET

#### OptiBlend® Sales Summary

80% INCREASE IN TOTAL OPTIBLEND® REVENUE BETWEEN H1 FY22 & H1 FY21

H1 FY22 Sales - A\$1,264,658

H1 FY21 Sales - A\$702,624

### INDIAN OPTIBLEND® MARKET

#### Indian OptiBlend® Sales

- H1 FY 22 - INR 21,432,143 [A\$392,939]

The Indian OptiBlend® activities for the six months included the sale to Colgate Palmolive [India] Ltd of five OptiBlend® dual fuel systems worth INR 6.418 million [A\$117,512].

The Indian OptiBlend® market remains strong, in spite of major disruptions as a result of the steep increase in COVID-19 cases resulting from the rapid spread of the Omicron variant across India.

Interest in India for OptiBlend® dual fuel systems is continuing to increase, with discussions now underway with two diesel genset manufacturers, a number of other possible distributors and a wide range of possible commercial, industrial and residential customers, including a hotel chain. Eden India anticipates its OptiBlend® sales over the next 6-12 months should continue at, or above, the current level achieved during the half year.

During the six-months, Eden India's engineers also completed the installation in Nigeria of three OptiBlend® dual fuel systems that Eden India had earlier sold to a Nigerian company.

### US OPTIBLEND® MARKET

#### US OptiBlend® Sales

- H1 FY22 - US \$639,564 [A\$870,718]

The total US OptiBlend® sales for the first half of FY 2022 [i.e., H1 of FY22] of A\$870,718 compared with A\$116,000 for H1 of FY21, still delivered an increase of 651% on a period-on-period basis.

As previously reported, following the extended power crisis in Texas during the winter in early 2021, there was a significant upturn during 2021 in interest in Eden's OptiBlend® dual fuel system, which extends the operating time of back-up diesel powered generators up to 70% , by substituting cheaper natural gas, for up to 70% of the diesel fuel.

That increased interest has continued and the new appointments in September 2021 of two specialist sales companies as OptiBlend® sales representatives [Power Source Midwest Inc and Davidson Sales Company] that between them operate in 17 US states, have greatly extended Eden's OptiBlend® sales capacity.

Continued strong interest exists in the US market interest, driven by both the increasing number, and intensity, of natural disasters, and the lower price of natural gas compared with diesel fuel.

As a result, many US institutions and companies are re-assessing their back-up power generating capacity. Apart from natural gas being cheaper and producing far lower levels of Greenhouse Gas emissions, operating on mixtures of as low as 30% diesel fuel and up to 70% natural gas, it also extends the back-up power generating capability that is delivered by the on-site stored diesel fuel [supplemented by the natural gas] by up to 230%, providing a far longer period of protection against the consequences of a major grid failure and an extended power outage.

## REVIEW OF OPERATIONS (Continued)

### EDENPLAST®

During the last quarter, the Japanese plastics company that has been trialling EdenPlast® over the past 12 months, conducted further trials. An additional master batch of EdenPlast® CNT-enriched polymers is currently being prepared for further testing in Japan.

Eden is hopeful that a positive outcome from the Japanese trials will lead to an initial sale and the establishment of a strong commercial EdenPlast® market.

### HYDROGEN AND HYTHANE®

Interest in Eden's Hydrogen / Hythane® products and technologies

#### Hythane® (hydrogen-enriched natural gas) – Emerging Interest in India®

India, which adopted a Hydrogen Roadmap in 2006 that included Hythane® (hydrogen-enriched natural gas) as a transitional fuel, is expanding the planned use of Hythane® beyond the current initial project that is underway and which involves converting 7,000 natural gas buses in Delhi to operate on Hythane®.

A new Hythane® bus project in the Mumbai area is being planned and Eden India has been approached in relation to possibly supplying Eden's proprietary blending system to blend the hydrogen and natural gas. Eden's blender was successfully installed, and operated for 11 years until the station was closed, in the first Indian Hythane® station that Eden built near the Delhi Airport for Indian Oil in 2009.

Additionally, it is understood that the possibility of adding hydrogen into natural gas pipelines in India is also being considered as a means of both reducing air pollution and Greenhouse Gas emissions. Eden India is planning to manufacture in India all its future blender Hythane® requirements. Interestingly, a similar hydrogen-enriched natural gas project is also reportedly being planned in the north east of the USA.

### Hydrogen – European interest

During the six-months, further discussions took place with a European chemical company with which Eden, in 2019, conducted joint laboratory trials, in relation to a possible collaboration involving the use of Eden's proprietary pyrolysis process for production of both turquoise hydrogen and carbon nanotubes. These recent discussions are ongoing.

In addition to its existing EdenCrete® products, Eden's long-term strategic plan is to develop global markets for a range of other products (including EdenPlast®) that will collectively use sufficient CNT, to support the development of a commercial scale, turquoise hydrogen programme based upon Eden's efficient, low cost, patented, commercialised and proprietary methane pyrolysis process.

### CORPORATE

Eden completed a placement raising A\$2.607 million (before costs), being the placement of the September 2021 rights issue shortfall (A\$1.507 million) and the balance (A\$1.1 million) from the directors' 15% placement capacity. The placement shares were issued at \$0.022 per placement shares with one (1) free EDEO option exercisable at 5 cents (\$0.05) and expiring on 7 October 2024 for every two (2) new placement shares subscribed.

Eden is currently exploring a range of financing options including reviewing the possibility of undertaking a capital raising by way of an equity placement to one or more strategic cornerstone investors

## DIRECTORS' REPORT

Your directors submit the financial report of the consolidated group for the half-year ended 31 December 2021.

### Directors

The names of directors who held office during or since the end of the half year:

*Mr Gregory H Solomon*  
*Mr Douglas H Solomon*  
*Mr Lazaros Nikeas*  
*Dr Stephen Dunmead*

### Review of Operations

The net loss after income tax for the half year was \$2,562,962 [2020: \$2,840,213].

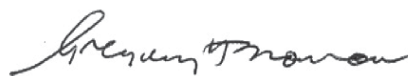
A review of the operations of the Group during the half-year ended 31 December 2021 is set out in the Review of Operations on Page 5.

### Auditor's Declaration

The lead auditor's independence declaration under section 307C of the Corporations Act 2001 is set out on page 12 for the half-year ended 31 December 2021.

This report is signed in accordance with a resolution of the Board of Directors.

Director



Gregory H Solomon

Dated this 25<sup>th</sup> day of February 2022



## Lead Auditor's independence declaration under section 307C of the Corporations Act 2001

To the directors of Eden Innovations Limited

I declare that, to the best of my knowledge and belief, in relation to the review for the period ended 31 December 2021, there have been:

- (i) no contraventions of the auditor's independence requirements as set out in the *Corporations Act 2001* in relation to the review; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the review.

**Nexia Perth Audit Services Pty Ltd**

**Muranda Janse Van Nieuwenhuizen**  
Director

Perth  
25 February 2022

**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](mailto:audit@nexiaperth.com.au)  
**w** [nexia.com.au](http://nexia.com.au)

Nexia Perth Audit Services Pty Ltd (ABN 27 145 447 105) is a firm of Chartered Accountants. It is affiliated with, but independent from Nexia Australia Pty Ltd. Nexia Australia Pty Ltd is a member of Nexia International, a leading, global network of independent accounting and consulting firms. For more information please see [www.nexia.com.au/legal](http://www.nexia.com.au/legal). Neither Nexia International nor Nexia Australia Pty Ltd provide services to clients.

Liability limited under a scheme approved under Professional Standards Legislation.

For personal use only





## CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE HALF-YEAR ENDED 31 DECEMBER 2021

	Note	Consolidated Group	
		31 Dec 2021	31 Dec 2020
		\$	\$
Revenue		2,024,427	1,580,757
Other income	2	780,597	1,631
Changes in inventories		236,009	634,550
Raw materials and consumables used		(775,383)	(950,975)
Depreciation and amortisation expense		(687,309)	(615,699)
Employee benefits expense		(2,384,804)	(1,949,176)
Finance costs		(367,110)	(358,175)
Legal and consultants		(329,348)	(328,452)
Management fees		(150,000)	(150,000)
Other financial items	3	21,189	(7,119)
Other expenses		(820,430)	(634,831)
Travel and accommodation		(110,800)	(62,724)
Loss before income tax		(2,562,962)	(2,840,213)
Income tax [expense]/benefit		-	-
Loss for the period		(2,562,962)	(2,840,213)
<b>Other Comprehensive Income / (Loss)</b>			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Exchanges differences on translating foreign operations		353,220	(989,287)
Income tax relating to other comprehensive income		-	-
Total other comprehensive income / (loss), after tax		353,220	(989,287)
<b>Total Comprehensive Income / (Loss) attributable to members of the parent</b>		(2,209,742)	(3,829,500)
Basic/Diluted loss per share (cents per share)		(0.118)	(0.151)

The accompanying notes form part of these financial statements.

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2021

	Note	Consolidated Group	
		31 Dec 2021	30 Jun 2021
		\$	\$
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents		4,113,821	2,175,637
Trade and other receivables		393,510	568,709
Inventories		2,081,042	1,840,582
Other current assets		237,205	163,083
<b>TOTAL CURRENT ASSETS</b>		<u>6,825,578</u>	<u>4,748,011</u>
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment		10,627,505	10,607,478
Intangible assets		9,528,393	9,123,044
<b>TOTAL NON-CURRENT ASSETS</b>		<u>20,155,898</u>	<u>19,730,522</u>
<b>TOTAL ASSETS</b>		<u>26,981,476</u>	<u>24,478,533</u>
<b>CURRENT LIABILITIES</b>			
Trade and other payables		864,796	755,188
Interest bearing liabilities	8	4,781,146	4,771,126
Other current liabilities		161,632	135,639
Provisions		219,551	171,341
<b>TOTAL CURRENT LIABILITIES</b>		<u>6,027,125</u>	<u>5,833,294</u>
<b>NON-CURRENT LIABILITIES</b>			
Interest bearing liabilities	8	-	486,143
Other liabilities		19,860	18,364
<b>TOTAL NON-CURRENT LIABILITIES</b>		<u>19,860</u>	<u>504,507</u>
<b>TOTAL LIABILITIES</b>		<u>6,046,985</u>	<u>6,337,801</u>
<b>NET ASSETS</b>		<u>20,934,491</u>	<u>18,140,732</u>
<b>EQUITY</b>			
Issued capital	4	119,320,654	114,736,287
Reserves		9,592,248	8,819,894
Accumulated losses		(107,978,411)	(105,415,449)
<b>TOTAL EQUITY</b>		<u>20,934,491</u>	<u>18,140,732</u>

The accompanying notes form part of these financial statements.

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE HALF YEAR ENDED 31 DECEMBER 2021

	Ordinary Share Capital	Options and SBP Reserve	Foreign Currency Translation Reserve	Accumulated Losses	Total
	\$	\$	\$	\$	\$
<b>Balance at 1 July 2020</b>	105,503,776	8,584,158	1,301,268	(99,656,690)	15,732,512
Shares issued during the period	9,124,104	-	-	-	9,124,104
Share based payments during the period	-	(250,480)	-	-	(250,480)
Loss for the period	-	-	-	(2,840,213)	(2,840,213)
Other comprehensive income	-	-	(989,217)	-	(989,217)
<b>Balance at 31 December 2020</b>	<b>114,627,880</b>	<b>8,333,678</b>	<b>312,051</b>	<b>(102,496,903)</b>	<b>20,776,706</b>
<b>Balance at 1 July 2021</b>	114,736,287	8,409,046	410,848	(105,415,449)	18,140,732
Shares issued during the period	4,584,367	-	-	-	4,584,367
Options and SBPs during the period	-	419,134	-	-	419,134
Loss for the period	-	-	-	(2,562,962)	(2,562,962)
Other comprehensive income	-	-	353,220	-	353,220
<b>Balance at 31 December 2021</b>	<b>119,320,654</b>	<b>8,828,180</b>	<b>764,068</b>	<b>(107,978,411)</b>	<b>20,934,491</b>

The accompanying notes form part of these financial statements.

## CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE HALF-YEAR ENDED 31 DECEMBER 2021

	Consolidated Group	
	31 Dec 2021	31 Dec 2020
	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	2,461,719	1,593,282
Payments to suppliers and employees	(4,538,257)	(4,312,192)
Interest paid	(235,093)	(228,615)
Interest received	1,948	585
Net cash used in operating activities	<u>(2,309,683)</u>	<u>(2,946,940)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Payment for development of intangibles	(612,561)	(800,549)
Purchase of property, plant and equipment	(35,676)	(355,133)
Net cash used in investing activities	<u>(648,237)</u>	<u>(1,155,682)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from shares issued	4,723,923	8,835,092
Proceeds from borrowings	170,711	-
Repayment of borrowings	(102,850)	(316,213)
Net cash provided by financing activities	<u>4,791,784</u>	<u>8,518,879</u>
Net increase in cash held	1,833,864	4,416,257
Net increase/(decrease) due to foreign exchange movements	104,387	(263,279)
Cash at beginning of period	2,175,570	1,388,683
Cash at end of period	<u>4,113,821</u>	<u>5,541,661</u>

The accompanying notes form part of these financial statements.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2021

### NOTE 1: BASIS OF PREPARATION

The half-year consolidated financial statements are a general-purpose financial report prepared in accordance with the requirements of the Corporations Act 2001, Australian Accounting Standard AASB 134: Interim Financial Reporting, Australian Accounting Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board. Compliance with AASB 134 ensures compliance with IAS 34: Interim Financial Reporting.

It is recommended that this financial report be read in conjunction with the annual financial report for the year ended 30 June 2021 and any public announcements made by Eden Innovations Ltd during the half-year in accordance with continuous disclosure requirements arising under the Corporations Act 2001 and the ASX Listing Rules. The half-year report does not include full disclosures of the type normally included in an annual financial report.

#### **Going Concern**

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

The Group has reported a net loss for the period of \$2,562,962 (2020: \$2,840,213) and a cash outflow from operating activities of \$2,309,683 (2020: \$2,946,940). 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 period and the cash outflow from operating activities during the period 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**

The accounting policies have been consistently applied by the entities in the consolidated group and are consistent with those in the June 2021 financial report except for the adoption of new and revised Accounting Standards.

New and amended standards adopted by the Group

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 half-year. 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 condensed consolidated financial statements.



## NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2021

	31 Dec 2021	30 Dec 2020
	\$	\$
<b>NOTE 2: OTHER INCOME</b>		
Interest	473	1,631
Loan forgiveness – SBA loan	780,124	-
Total	780,597	1,631

<b>NOTE 3: OTHER FINANCIAL ITEMS</b>		
Foreign exchange gain / [loss]	21,189	[7,119]
Total	21,189	[7,119]

### NOTE 4: ISSUED CAPITAL

a. Ordinary shares	31 Dec 2021	30 June 2021	31 Dec 2021	30 June 2021
	No.	No.	\$	\$
At the beginning of reporting period	2,082,852,348	1,723,596,366	114,736,287	105,503,776
Shares issued during the period	226,588,623	359,255,982	4,584,367	9,232,511
At reporting date	2,309,440,971	2,082,852,348	119,320,654	114,736,287

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.

b. Options	31 Dec 2021	30 June 2021
	No.	No.
At the beginning of reporting period	69,394,506	83,029,634
Options issued	111,901,843	68,394,506
Options exercised	[32,198]	[157,735]
Options lapsed/cancelled	-	[81,871,899]
At reporting date	181,264,151	69,394,506

c. Performance rights	31 Dec 2021	30 June 2021
	No.	No.
At the beginning of reporting period	27,304,014	26,391,012
Performance rights issued	-	27,304,014
Performance rights lapsed/cancelled	-	[26,391,012]
At reporting date	27,304,014	27,304,014

### NOTE 5: CONTINGENT LIABILITIES AND CONTINGENT ASSETS

The Directors are not aware of any contingent assets or contingent liabilities as at 31 December 2021.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2021

### NOTE 6: EVENTS SUBSEQUENT TO REPORTING DATE

No matters or circumstances have arisen since the end of the period which significantly affected or may significantly affect the operations of the consolidated entity, the results of those operations, or the state of affairs of the consolidated entity in future financial years

### NOTE 7: 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.

Transactions with related parties:

	31 Dec 2021	31 Dec 2020
	\$	\$
<b>Key Management Personnel</b>		
Management fees and administration fees paid / payable to Princebrook Pty Ltd, a company in which Mr GH Solomon and Mr DH Solomon have an interest.	150,000	150,000
Legal and professional fees paid to Solomon Brothers, a firm in which Mr GH Solomon and Mr DH Solomon are partners.	15,785	22,688

### NOTE 8: INTEREST BEARING LIABILITIES

	31 Dec 2021	30 Jun 2021
	\$	\$
Dumont Way property purchase loan [2nd mortgage over the Dumont Way property, 4% interest rate, denominated in USD and 0.8 years remaining]	503,696	-
Insurance premium funding [Unsecured, 6% interest rate and denominated in USD]	70,520	-
SBA Loan [Unsecured, 1% interest rate, denominated in USD and 2-year term]	99,984	843,708
SnowPoint Loan [Secured over all 3 properties, 11% interest rate, denominated in USD and due April 2022]	4,106,946	3,927,418
Total current portion	<u>4,781,146</u>	<u>4,771,126</u>
Dumont Way property purchase loan [2nd mortgage over the Dumont Way property, 2% interest rate, denominated in USD and 0.8 years remaining]	-	486,143
Total non-current portion	<u>-</u>	<u>486,143</u>
Total	<u><u>4,781,146</u></u>	<u><u>5,257,269</u></u>
Opening Balance	5,257,269	5,998,005
Proceeds from borrowing, net of borrowing costs	170,711	139,347
Repayment of borrowings	[102,850]	[371,922]
Forgiveness of loan - SBA	[780,124]	-
Borrowing costs expensed	78,379	190,291
FX [gain] / loss	157,761	[698,452]
Closing balance	<u><u>4,781,146</u></u>	<u><u>5,257,269</u></u>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2021

### NOTE 9: SEGMENT INFORMATION

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 in USA; and
- Eden Innovations India Pvt Ltd – Optiblend™ sales, service and manufacturing in India.

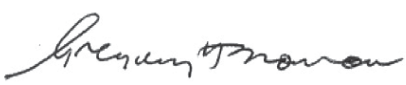
	Eden Innovations LLC \$	Eden Energy India Pvt Ltd \$	Eliminations \$	Economic Entity \$
<b>2021</b>				
External sales	1,631,488	392,939	-	2,024,427
Internal sales	690,268	-	(690,268)	-
Total segment revenue	2,321,756	392,939	(690,268)	2,024,427
Segment Result	(1,158,953)	194,345	(50,722)	(1,015,330)
Unallocated expenses				(1,180,522)
Result from operating activities				(2,195,852)
Finance costs				(367,110)
Loss before income tax				(2,562,962)
Income tax benefit				-
Loss after income tax				(2,562,962)
Segment assets	13,715,412	1,169,397	-	14,884,809
Unallocated assets				12,096,668
Total assets				26,981,477
Segment liabilities	5,833,009	235,978	(134,588)	5,934,399
Unallocated liabilities				112,586
Total liabilities				6,046,985
Capital expenditure	35,676	-	612,560	648,236
Depreciation and amortisation	386,790	-	300,519	687,309
<b>2020</b>				
External sales	980,225	600,532	-	1,580,757
Internal sales	842,775	-	(842,775)	-
Total segment revenue	1,823,000	600,532	(842,775)	1,580,757
Segment Result	(1,745,001)	408,482	(97,109)	(1,433,628)
Unallocated expenses				(1,048,410)
Result from operating activities				(2,482,038)
Finance costs				(358,175)
Loss before income tax				(2,840,213)
Income tax benefit				-
Loss after income tax				(2,840,213)
Segment assets	13,960,960	645,010	-	14,605,970
Unallocated assets				12,225,812
Total assets				26,831,782
Segment liabilities	5,793,369	487,380	(422,400)	5,858,349
Unallocated liabilities				196,727
Total liabilities				6,055,076
Capital expenditure	355,133	-	800,549	1,155,682
Depreciation and amortisation	347,976	-	267,723	615,699

## DIRECTORS' DECLARATION

The directors of the company declare that:

- 1. The financial statements and notes, as set out on pages 13 to 20:
  - a. comply with Australian Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001; and
  - b. give a true and fair view of the Group's financial position as at 31 December 2021 and of its performance for the half-year ended on that date.
- 2. In the directors' opinion there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable.

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

Director   
-----  
Gregory H Solomon

Dated this 25<sup>th</sup> day of February 2022



## INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Eden Innovations Limited

### Report on the Half-Year Financial Report

#### Conclusion

We have reviewed the half-year financial report of Eden Innovations Limited ("the Company") and its subsidiaries ("the Group"), which comprises the consolidated statement of financial position as at 31 December 2021, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of the Group does not comply with the Corporations Act 2001 including:

- (a) giving a true and fair view of the Group's financial position as at 31 December 2021 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

#### Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the Auditor's Responsibilities for the Review 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 & Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual 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 review report.

#### Material uncertainty related to going concern

We draw attention to Note 1 in the financial report, which indicates that the Company incurred a net loss of \$2,562,962 and cash outflows from operating activities of \$2,309,683 during the half year ended 31 December 2021. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

**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

Nexia Perth Audit Services Pty Ltd (ABN 27 145 447 105) is a firm of Chartered Accountants. It is affiliated with, but independent from Nexia Australia Pty Ltd. Nexia Australia Pty Ltd is a member of Nexia International, a leading, global network of independent accounting and consulting firms. For more information please see [www.nexia.com.au/legal](http://www.nexia.com.au/legal). Neither Nexia International nor Nexia Australia Pty Ltd provide services to clients.

Liability limited under a scheme approved under Professional Standards Legislation.

For personal use only







### Responsibility of the Directors for the Financial Report

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

### Auditor's Responsibility for the Review of the Financial Report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2021 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

NPAS

### Nexia Perth Audit Services Pty Ltd

**M. Janse Van Nieuwenhuizen**  
Director

Perth  
25 February 2022

**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@nxiaperth.com.au](mailto:audit@nxiaperth.com.au)  
**w** [nexia.com.au](http://nexia.com.au)

Nexia Perth Audit Services Pty Ltd (ABN 27 145 447 105) is a firm of Chartered Accountants. It is affiliated with, but independent from Nexia Australia Pty Ltd. Nexia Australia Pty Ltd is a member of Nexia International, a leading, global network of independent accounting and consulting firms. For more information please see [www.nexia.com.au/legal](http://www.nexia.com.au/legal). Neither Nexia International nor Nexia Australia Pty Ltd provide services to clients.

Liability limited under a scheme approved under Professional Standards Legislation.

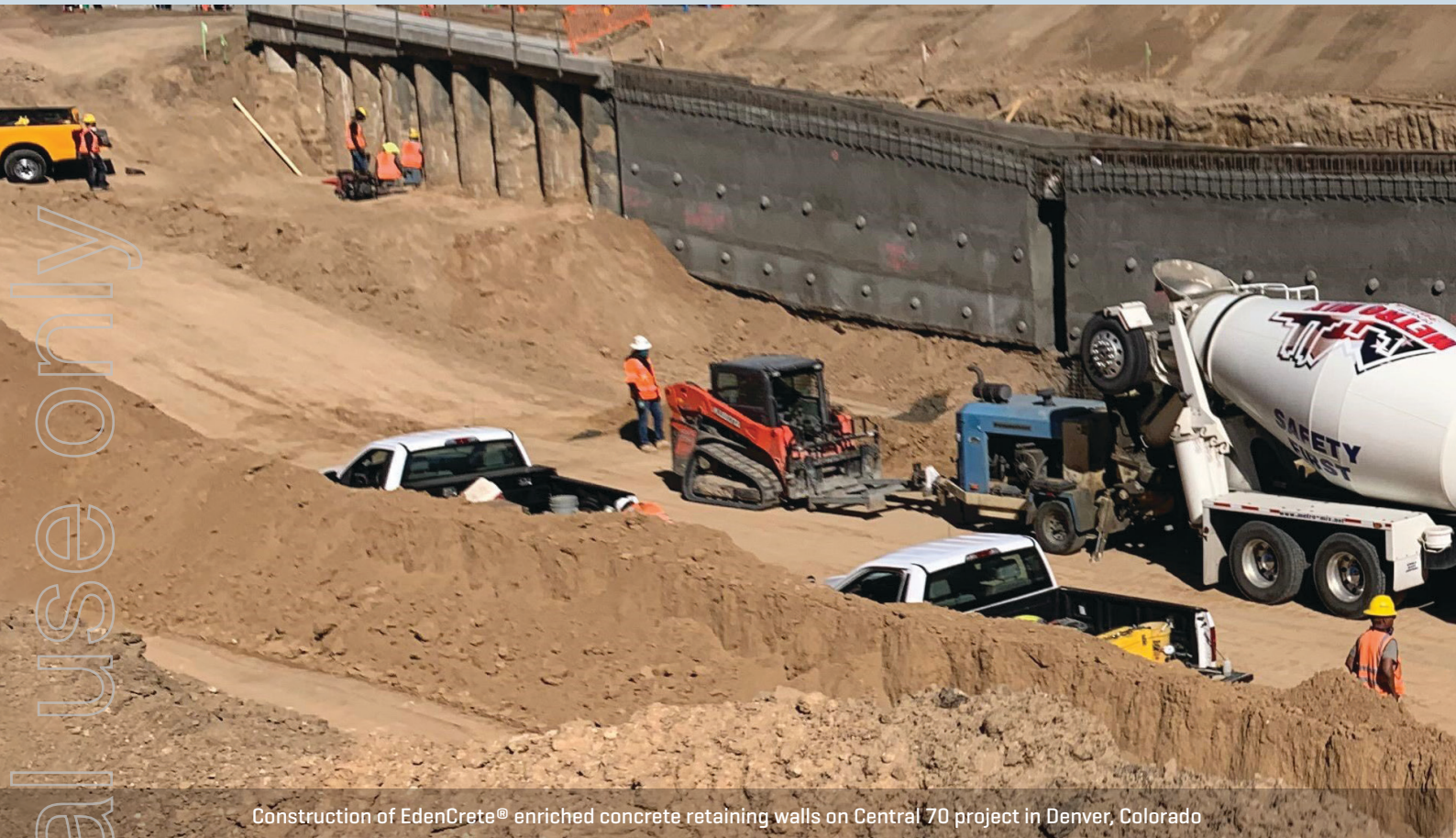
For personal use only



For personal use only

This page left intentionally blank

For personal use only



Construction of EdenCrete® enriched concrete retaining walls on Central 70 project in Denver, Colorado

**eden**

**Innovations that work.™**

[www.edeninnovations.com](http://www.edeninnovations.com)