



Innovations that work.™

**Eden Innovations Ltd
(ABN 58 109 200 900)
and Controlled Entities**

**Interim Financial Report
for the
Half-Year Ended 31 December 2022**

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HIGHLIGHTS

EdenCrete®

EDENCRETE® MARKETS

LOW CO₂ CONCRETE FOR ALL APPLICATIONS

- Rapidly growing interest in the EdenCrete® Pz range of admixtures that was developed by Eden to enable concrete to be mixed using significantly increased percentages of low cost, ultra-low CO₂ footprint pozzolans, such as fly-ash (a waste product from coal fired power production), in substitution for a corresponding reduction in the amount of high CO₂ footprint Ordinary Portland Cement (OPC).
- The EdenCrete®Pz range of admixtures is currently being trialled in the USA, Canada, France, India and Indonesia and the anticipated positive outcome from many, if not all, of these trials looms as an important factor in the anticipated steep increase in global sales of EdenCrete® over the coming years.
- Whilst the greatly reduced cost and lower CO₂ footprint of the concrete (from the use of more low cost waste products like fly-ash) is the primary driver of the growing interest in USA, Canada and France, at the present time the reduced cost coupled with the performance delivered by the EdenCrete® Pz range of admixtures are the primary drivers for the significant, emerging sales growth of EdenCrete® admixtures in India and Indonesia, rather than the lower CO₂ footprint, but this is starting to change.
- India, in particular, and Indonesia are both very large and very low-cost markets, and the same factors that have enabled these products to be commercially attractive in those low-cost countries, are considered likely to be even more attractive in North America and Europe where the cost of OPC is often double the price than in India and Indonesia.
- The US currently operates a significant number of coal-fired power stations that will continue to produce for the foreseeable future at least, fly ash, a pozzolan material that is highly suitable for use as a cement when uses with EdenCrete®Pz. There are also significant existing US stock piles of fly ash, bottom ash and pond ash, that apart from being suitable for use in concrete, are also significant environmental hazards.
- The demonstrated potential for the EdenCrete® Pz range of admixtures to enable a high percentage of OPC (up to 50% or more) to be replaced in US concrete mixes, with a similar quantity of far lower cost, ultra-low CO₂ fly ash, bottom ash and/or pond ash, is considered likely to be of great importance to Eden in achieving its targeted growth in US sales of EdenCrete® products.

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HIGHLIGHTS

SALES DURING THE HALF YEAR

	Sales 31 Dec 2022 A\$000's	Sales 31 Dec 2021 A\$000's	Sales % Change
EdenCrete®	730	761	-4%
OptiBlend®	2,356	1,263	87%
Total	3,086	2,024	52%

EdenCrete®

USA

- EdenCrete® used in further projects at Denver International Airport (“DIA”) and one project at former Stapleton International Airport grounds.
 - Iowa - First EdenCrete® bridge trial in Clinton County.
 - 14 concrete plants across 3 US States had installed or were in the process of having installed, bulk EdenCrete® storage tanks and dispensing equipment.
 - Eden India ordered from Eden US a 20-foot container load (16,000 litres) of EdenCrete®Pz.
 - Extensive US trials by two large concrete companies that operate in multiple US States, commenced testing performance benefits and cost benefits delivered by EdenCrete®Pz7.
 - The GDOT trials of EdenCrete® in concrete in the Little River Bridge deck trial in Georgia (November 2019) showed it delivered the following benefits:
 - Improvements in compressive and flexural strength (tested in 2019):
 - After 24 Hours - Compressive strength - 2767 PSI (12% over design)
 - After 72 Hours - Compressive strength - 4790 PSI (37% over design)
 - After 28 Days - Compressive strength - 6787 PSI (70% over design)
 - After 28 Days - Flexural strength - 915 PSI (41% over design)
- After two and a half years of service:
- Cores from the EdenCrete® and the reference concrete were taken from the decking, pulverised and the depth of chloride penetration in each was then measured. Compared to the reference, the EdenCrete® delivered:
 - 37.5% reduction in chloride concentration at 14.5 mm depth
 - 50% reduction in chloride concentration at 18 mm depth

INTERNATIONAL MARKETS

- Interest in the range of EdenCrete® Pz admixtures for Low cost / High Fly Ash content / Low Portland cement content / Low CO₂ concrete, is rapidly growing around the world, with trials currently underway in Canada, France, India, and Indonesia.
- India’s total infrastructure market is targeted to reach US \$5 trillion by 2025, with the government planning to spend US\$ 1.4 trillion on infrastructure through its ‘National Infrastructure Pipeline’ in the next five years¹, with growing interest in sustainable construction.

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- Mumbai Metropolitan Region Development Authority included, for a first time, a Key Product Specification requiring Nano Carbon Technology in the concrete for two tenders, each for a new expressway of 10 lanes wide and 25 kilometres long, to enhance serviceability of the pavement.
- First sale of EdenCrete® in India to precast concrete company in Gujarat.
- Eden India placed first order with Eden US for full 20-foot container load (16,000 litres) of EdenCrete®Pz.

¹. <https://www.ibef.org/industry/infrastructure-sector-india>

During calendar year 2022:

- Eden US sold 125,532 litres (33,162 gallons) of EdenCrete® in 16 US states, and Canada.
- 36 concrete plants across 9 US States purchased EdenCrete® in 2022.

OptiBlend®

During the half year period, record sales were achieved by Eden Innovations India Pvt Ltd (Eden India) of its OptiBlend® dual fuel system, with a record in both the number of dual fuel systems sold, and the aggregate value of these sales:

- 51 dual fuel systems were sold.
- The Indian OptiBlend® sales for the first 6 months of FY2023 (1 July - 31 December 2022) rose by 466% compared with the same period in 2021, rising from A\$393,000 in 2021 to A\$2,223,000 in 2022.

Corporate

During the Half:

- Eden completed the settlement of its re-financing activities as anticipated in its FY22 Annual Report, securing a facility with iBorrow REIT LP of US\$6.475 million in the USA on terms of 11 months to 29 June 2023, with a further renewal for a further 12 months. Aside from repayment of existing debt, the facility added USD\$1.775m (A\$2.55million) additional working capital for the Group.
- Eden completed two placements raising \$1,755,000 (before costs of the issue) for further working capital. The new shares were issued at a price of \$0.08 and each investor received for every two new shares subscribed, one option to acquire an ordinary Eden share at an exercise price of 2.6 cents each at any time up until 28 April 2025.
- The Chief Executive Officer of Eden US, Dag Grantham tendered his resignation effective from 15 January 2023 and Greg Solomon, the Executive chairman of Eden, who has been an active director of the US subsidiary since its incorporation over 17 years ago, assumed the role of acting-CEO of Eden USA on an interim basis.
- Following the change of CEO, Eden USA undertook a major restructuring, resulting in a significant reduction of more than A\$3million p.a. in its operating costs, whilst still maintaining its full production capabilities and most of its sales team. Consistent with AASB136, an impairment test of the intangible assets was undertaken.

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- Several potential buyers commenced reviewing the 64 acres of industrial land in Augusta, Georgia that Eden has for sale, and these reviews are nearing completion.
- On 1 December 2022, Eden Innovations Ltd (Eden) initiated a partially underwritten non-renounceable pro-rata rights offer to Eden shareholders of one fully paid ordinary Eden share for every ten fully paid shares held, at a price of \$0.005 per share. The Offer closed on 25 January 2023, raising \$1,000,761 for general working capital.
- On 6 February 2023, Dr Allan Godsk Larsen (M.Sc PhD) was appointed as a Director of the Company. Dr Larsen is highly qualified with a PhD in electro-chemistry from Aarhus in Denmark in 2008. After completing his doctorate and a year consulting to the Danish Technological Institute, he undertook a three-year Postdoctoral Fellowship at Sydney University. Since then Allan has held the following positions:
 - Two and a half years as Senior Scientist R&D at Cap-XX Ltd in Sydney, developing super capacitors including working with carbon nanotubes;
 - Almost five and a half years as Catalyst Specialist and Sales Manager at Haldor Topsøe, a leading Danish catalyst company that sells its products around the world, after which:
 - Allan joined Eden in November 2016 where he has held the following positions:
 - November 2016 to April 2018 Product Development Manager (including having designed and developed the EdenCrete® Pz range of products); and
 - April 2018 to present- Chief Scientist and Manager of International Business
- Retirements – on 2 February 2023, Mr Lazaros Nikeas, and on 6 February 2023, Dr Stephen Dunmead retired as Directors of the Company.

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CORPORATE DIRECTORY

DIRECTORS:

Gregory H Solomon LLB (Executive Chairman)
Douglas H Solomon BJuris LLB (Hons) (Non-Executive)
Allan Godsk Larsen M.Sc., Ph.D. (Executive)

COMPANY SECRETARY:

Jamie M Scoringe B.Com, CPA, ACIS

REGISTERED OFFICE:

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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) EDEOC (2.6 cent options)

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

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REVIEW OF OPERATIONS

EDENCRETE® PRODUCTS

	Sales 31 Dec 2022 A\$000's	Sales 31 Dec 2021 A\$000's	Sales % Change
USA	727	761	-5%
INDIA	3	-	100%
Total	730	761	-4%

EdenCrete® Markets for the six months ending 31 December 2022

- **US EdenCrete® Products market footprint of Eden Innovations LLC (Eden US) continued to grow.**
 - 7 new US customers in 4 US States purchased EdenCrete® products.
 - 14 concrete plants in 3 US States installed/ ordered bulk EdenCrete® storage tanks.
 - Eden US received an order from Eden India for full container load (16,000 litres) of EdenCrete®Pz.
 - Extensive trials by two large US concrete companies that operate in multiple US States, commenced testing performance benefits and cost benefits delivered by EdenCrete®Pz7.
 - 16 new EdenCrete® customers over past 6 months in 8 US States.
- **New customers over past six months are from the following industries:**
 - Building and construction industry
 - Swimming pool construction
 - Ready-mix concrete suppliers
 - Concrete landscape construction
- **125,532 litres (33,162 gallons) of EdenCrete® were sold in CY2022 to customers in 16 States:** California, Colorado, Florida, Georgia, Iowa, Kansas, North Carolina, Nevada, Oklahoma, Oregon, Pennsylvania, South Carolina, Tennessee, Texas, Utah and Wisconsin (see Figure 1).
- **More than 22,000 gallons (83,279 litres) of EdenCrete® were sold in the USA to 36 concrete plants spread across 9 US States (including 21 plants in Colorado) in CY2022:**
 - Colorado (21), Georgia (5), Iowa (1), Kansas (2), North Carolina (2), South Carolina (1), Tennessee (1), Texas (2), and Utah (1) (see Figure 2)

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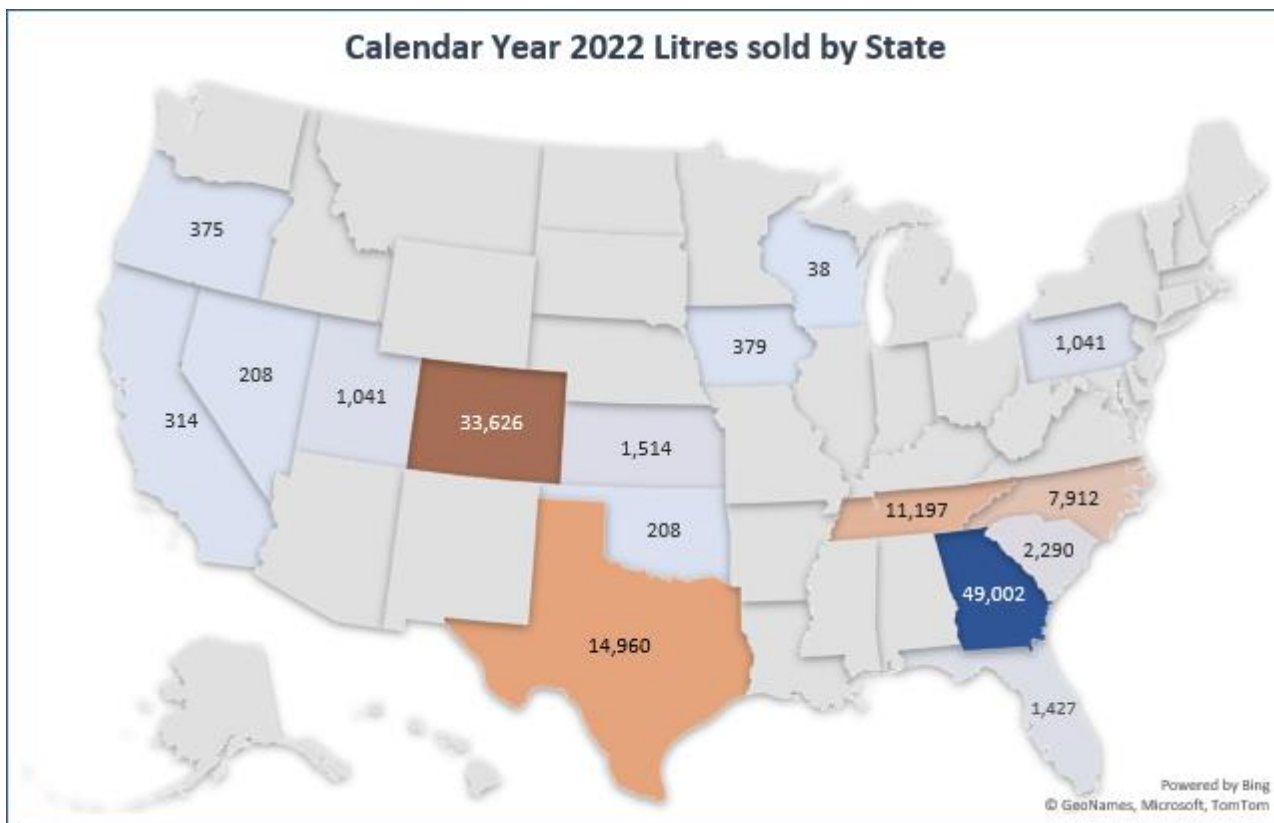


Figure 1. Distribution of 2022 EdenCrete® sales in 16 US States

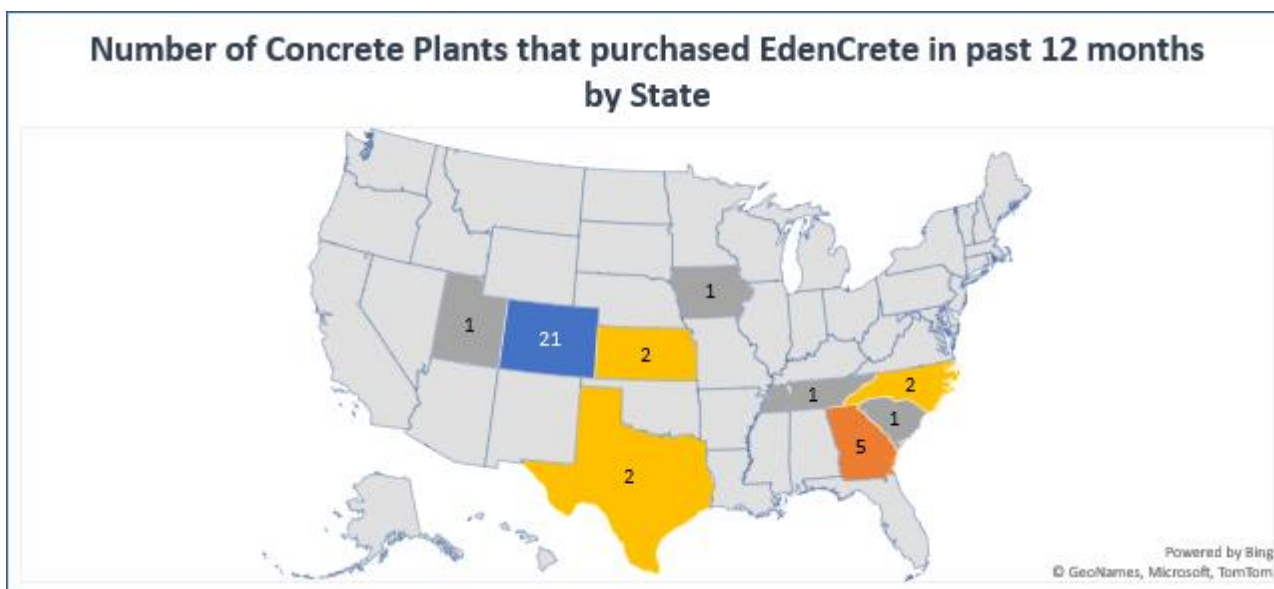


Figure 2. Distribution of plants that purchased EdenCrete® in 2022

- **14 Bulk EdenCrete® storage tanks and dispensing systems are installed and operating, or being installed in plants across 3 US States:**
10 installed bulk storage systems and another 4 about to be installed, each at a different plant spread across 3 US States being:
 - **Colorado - 10 plants (6 installed, 4 being installed) with 4 companies:**
 - 4 installed plants installed with one national ready-mix company
 - 2 installed plants with large local ready-mix companies
 - 4 plants about to be installed with a large local ready-mix company that has been a customer for a number of years.
 - **Tennessee (3 installed plants) and Mississippi (1 installed plant)** with Delta Industries, Inc. along with a 3-year bulk supply agreement (see Eden ASX announcement 26 May 2022).
- **The final results from GDOT trials of EdenCrete® in concrete in the Little River Bridge deck trial in Georgia (November 2019) showed it delivered the following benefits:**
 - **Improvements in compressive and flexural strength (tested in 2019):**
 - After 24 Hours - **Compressive strength - 2767 PSI (12% over design)**
 - After 72 Hours - **Compressive strength - 4790 PSI (37% over design)**
 - After 28 Days - **Compressive strength - 6787 PSI (70% over design)**
 - After 28 Days - **Flexural strength - 915 PSI (41% over design)**
 - **After two and a half years of service, improvements (reduction) in permeability:**
 - cores from the EdenCrete® and the reference concrete were taken from the decking,
 - pulverised and the depth of chloride penetration in each was then measured.Compared to the reference, the EdenCrete® delivered:
 - **37.5% reduction in chloride concentration** at 14.5 mm depth
 - **50% reduction in chloride concentration** at 18 mm depth**Follow-up meetings with GDOT to review these results commenced in January 2023.**

EdenCrete®Pz and EdenCrete®Pz7 Markets

USA

- **Extensive trials of EdenCrete®Pz7 are underway in the US with two large concrete companies** that each operate in multiple US States. Both companies are interested in understanding the performance benefits, Greenhouse Gas emission benefits, and cost benefits delivered by EdenCrete®Pz7 in their concrete mix designs. Preliminary results are looking encouraging, it is hoped that these important trials will open up a large market in the USA for EdenCrete®Pz7.
- **Eden US to sell to Eden India an EdenCrete®Pz concentrate for re-constitution in India**
 - As the first phase in proposed progressive establishment of a significant EdenCrete®Pz manufacturing capability in India, Eden US has developed and trialled the production of a highly concentrated version of EdenCrete®Pz, suitable for shipping to India, and the dilution and re-constitution in India of the concentrate into the final EdenCrete®Pz product for sale.
 - Shipping a concentrate will greatly reduce freight costs, significantly reduce the required storage space in India, and enable Eden India to access cheaper sources of the required raw materials for re-constituting the EdenCrete®Pz.

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- Coupled with the lower operating costs in India, all these savings will deliver very high quality, lower priced products for sale both in India as well as in other international markets.

INDONESIA

- Following very successful initial trials with several of the largest concrete companies in Indonesia, repeat trials, evaluations and discussions are continuing in relation to use of EdenCrete® Pz7 in low cost, high Fly ash concrete mixes. **In the second week in January 2023 four days of follow-up trials took place with two companies in Indonesia**, in which Eden's chief scientist participated. If successful, these trials could lead to early sales.
- Based on the trials to date, Eden is confident Indonesia will emerge as a significant global market for EdenCrete® products.
- **Indonesia has a huge demand for higher performance, low cost, low Greenhouse Gas footprint concrete**, and has the potential to significantly increase demand for either or both EdenCrete®Pz and EdenCrete®Pz7.

INDIA - EDENCRETE® MARKET

- **India's infrastructure market is targeted to reach US\$5 trillion by 2025**².
 - India was expected to become the world's third largest construction market by 2022². There is growing interest in India in EdenCrete®, with a number of significant, emerging opportunities in major projects in India, particularly in the infrastructure sector that is undergoing great expansion. Importantly, there is an increasing awareness in India of the need for sustainable construction.
 - In a recent review of the Ready-Mix Concrete (RMC) market in India, the following is a statement by Prashant Jha, the chief Ready-Mix Concrete Officer at Nuvoco Vistas Corporation, a significant Indian building materials company that is **the fifth-largest cement group in India and the leading cement player in East India, in terms of capacity with 11 cement plants (aggregate production capacity approximately 24 million tonnes per annum) and more than 50 RMC plants around India:**

“Despite the initial downturn due to Covid-19, the Ready-Mix Concrete or RMC market in India is now seeing steady growth. With a valuation of USD 2378.11 million in FY2020, it is expected to grow at a healthy pace of 16.21% by FY2026. This recovery is projected on the basis of the construction and infrastructure industry picking up as normalcy returns. This period has also seen a rising awareness of ensuring innovation through Value Added Products, especially in ensuring sustainable construction. With limited resources, concrete products with lesser carbon footprint would gain higher acceptance from both the consumers and regulatory bodies.”².

² www.epcworld.in/p/post/the-rmc-market-in-india-is-now-seeing-steady-growth-says-prashant-jha-chief-ready-mix-concrete-officer-nuvoco-vistas-corp

Mumbai Metropolitan Region Development Authority (MMRDA) – Two Expressway Tenders

- Two tenders, each for the construction in Mumbai of a new expressway, 10 lanes wide and 25 kilometres long, included for the first time, a Key Product Specification that Nano Carbon Technology be included in the concrete to enhance serviceability of the pavement.
- MMRDA, a Government of Maharashtra agency, is responsible for preparation of the Regional Plan and infrastructure development of the Mumbai Metropolitan Region, an area of 6,355 square kilometres with a high-density population of over 26 million.
- Godrej Construction (Godrej) has plants across India and uses EdenCrete® in several standard concrete mixes in a number of cities including Mumbai, and is working with Eden on these projects.
- Quotations to supply of EdenCrete® were also supplied to a number of other concrete suppliers.
- These tenders, which were extended twice, but due to a change in the government, are now to be re-tendered, open the first potential opportunities for an EdenCrete® product to be included in concrete that is to be used in major Indian infrastructure projects.
- The Key Product Specification requiring “Nano Carbon Technology to be included in the concrete” was added to enhance the serviceability of the pavement.
- Should EdenCrete® be used in either of these projects, it will be its first use in Indian infrastructure, and could well open the way into the huge Indian infrastructure market.
- **Ahmedabad, Gujarat**
 - **First EdenCrete® sale to concrete precast company**
 - A small, initial trial order received from a concrete precast company of EdenCrete®Pz is the first EdenCrete® product sale in India to a concrete precast company.
- **Eden India placed an order with Eden US to purchase a full 20-foot shipping container load (16,000 litres) of EdenCrete®Pz for sale into the Indian market.**
 - **In large part this order was made to service the requirements of Godrej Construction (Godrej),** with which Eden India has been engaged for over three years, that is regularly using EdenCrete®Pz in several of its standard concrete mixes. This order followed 2 smaller earlier orders placed by Eden India with Eden US.
 - **Eden India will be able to achieve far lower freight rates than for its previous smaller orders.**
 - As EdenCrete®Pz is only used in low dosages (usually around 0.25 litres per metre³ of concrete), this large order will provide a significant stock of the product in India and enable Eden India to rapidly supply the market as it continues to grow, including supplying a growing number of Indian customers other than Godrej Construction.
- **Eden and Godrej Construction (Godrej) commenced discussions (that are ongoing) related to potentially broadening their relationship:**
 - Godrej has been working with EdenCrete® for over 3 years and placed its first order for EdenCrete® in 2020 (see Eden ASX Announcement 20 September 2020) and these recent discussions are a potentially important development.
 - The Indian concrete market represents one of the world’s largest markets and is a key priority for Eden.

US CONSTRUCTION APPLICATIONS

Colorado

- **United Airlines, Denver International Airport, Denver**
 - EdenCrete® is being used in the concrete mix design in the building at DIA of a 4-storey training facility.
 - Replacement for the fifth time, a further set of worn concrete panels in the apron of the United Airlines maintenance hangar, requiring Eden Crete® worth approximately US\$6,500 took place.
 - Each panel is 400 square feet in area (approx. 37 square metres) and 18 inches (46 cm) deep.
 - The significance of this is that the repeated successful replacement projects already undertaken with EdenCrete® are gaining attention at both Denver International Airport itself, and also with a number of other relevant parties including engineering firms that specialise in airport construction and maintenance.
- **Civil Innovations, Denver**
 - Approx. US\$140,000 of EdenCrete® for 4 storey training facility, commencing January 2023.
- **Loveland Ready Mix, Loveland**
 - Three new flat work projects (approx. US\$9,500 worth of EdenCrete®) with further projects expected.
- **Smyrna Ready Mix (SRM) , Denver**
 - SRM is a new customer that will require approximately US\$10,000 worth of EdenCrete® for a new project in Denver that commences in the next few weeks, for which the first order has already been received.
 - SRM, a major US ready mix company based in Tennessee, operates many plants across 16 US states.
 - Eden has recently conducted an initial successful trial with SRM in Tennessee.

Utah

- **f'c MIX - Salt Lake City**
 - New supplier for a number of large shotcrete customers in Salt Lake City which use f'c MIX to supply the concrete. First order for US\$5,500 received, and an additional US\$15,000 worth of EdenCrete® has been requested. Significant further near-term growth in Utah is expected.

South Carolina

- **Concrete Supply Company - Greenville**
 - Requires US\$15,000 of EdenCrete® for project as the preferred alternative to using a dry shake hardener for the concrete.
- **Capital Concrete - Lexington**
 - A fourth EdenCrete® repair project for Michelin in the US, requiring US\$1,375 of EdenCrete®.

Texas

- **U.S. Concrete (Redi Mix Concrete) – Dallas**
 - First project for both US Concrete and for contractor working with EdenCrete® in Texas.
 - US\$6,500 of EdenCrete® has been acquired for the project requiring 2 gallons per cubic yard.
 - This followed a presentation in the Dallas area to the engineering firm that then gave the contractor the option to use EdenCrete® as an alternative to using a dry shake hardener.
 - The contractor chose to use EdenCrete® and not face the difficulties of using a dry shake hardener.

SHOTCRETE PROJECTS

Colorado

- **Action Ready Mix, Colorado Springs**
 - New customer supplying CDOT shotcrete to Summit GeoStructures.
 - This concrete project will require US\$5,000 worth of EdenCrete®.

North Carolina

- **Blue Dot Read-Mix**
 - This is a new contractor that operates nationwide. Following a successful trial, EdenCrete® is to be used to reduce dust and rebound in shotcrete projects. Further projects are being discussed.
 - The initial purchase order will be for US\$6,875 and will complete this first project.
- **Shotcrete and Swimming Pools**
 - The EdenCrete® shotcrete market is anticipated to continue to grow significantly across the US, driven by the facts that low cost, small dosages of EdenCrete® deliver significantly greater cost benefits than the total additional cost of adding the EdenCrete®.
 - The benefits from the reduced wear due to lower pump pressure being required, less re-bond (when concrete falls off the face of the wall and is wasted, and must be collected and disposed of), and far better workability for sculpting and/or smoothing the shotcrete after it has been applied.
 - Similarly, the large US swimming pool market is a large subset of the US shotcrete market and is an important emerging source of US EdenCrete® sales because of the wide range of benefits when using EdenCrete® at a low dosage, and hence at a low additional cost.
 - Executive Swimming Pools owner, Mike Clouse, shared on 17 August 2022 that he has not seen a shotcrete wall collapse since he started requiring EdenCrete® be included in his shotcrete pool shells approximately 2 years ago.

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US INFRASTRUCTURE

Highways, Roads, and Bridges

- These markets continue to grow with regular, repeat work in:
 - Georgia (for GDOT projects),
 - Colorado (for CDOT projects)
- New markets emerging or being targeted with DOTs in a number of states including
 - Iowa
 - Texas
 - Minnesota
 - Louisiana
 - Wisconsin
 - Connecticut
 - New Jersey
 - North Carolina
 - Missouri
 - Illinois
- **Airports**
 - Following the success over several years at Denver International Airport with replacement of worn concrete panels in the apron for the United Airlines maintenance hangar, EdenCrete® is targeting to expand its market penetration into other airports (both domestic and military).
- **Ports, Marine and Coastal Applications**
 - Following the success achieved over several years at the Port of Savannah with the Georgia Port Authority, and more recently with the Port of Brisbane in Australia, Eden is targeting expansion into the broader port, marine and coastal markets.
 - Highly encouraging results from a recent longer-term trial comparing the ability of each of EdenCrete®, EdenCrete®Pz and EdenCrete®Pz7 to reduce the permeation of salt into concrete (one of the major challenges faced by concrete that is placed in or near salt water), EdenCrete®Pz offers the best performance and was able to deliver a relatively low cost for the benefits provided.
 - This market offers large growth, particularly in light of increasing sea levels.
- **American Concrete Pavement Association (ACPA)**
 - Article in Quarter 2, 2022 edition of ACPA magazine “Concrete Pavement Progress” discussed benefits delivered by EdenCrete® related to sustainability and resilience.
 - Presentation on EdenCrete® was given in a session on sustainability and resilience of pavement at ACPA – 59th Annual Meeting – November 2022.

US INFRASTRUCTURE - IOWA

- Iowa has a total of 18,637 bridges and 17,775 miles of paved roads³ and on average almost 500 freeze/thaw cycles each year, causing concrete and asphalt roads and bridges to break down and deteriorate very rapidly. It also has one of the highest per capita rates of use of concrete in the US.

³ Iowa County Engineers Association (iowacountryroads.org)

- **Clinton County**
 - The county, a new customer, purchased US\$1,635 of EdenCrete® for an initial bridge trial in Iowa. The work was carried out in two stages, the second being completed after the end of the quarter.
 - EdenCrete® is being tested to evaluate the performance delivered in relation to:
 - Improved durability,
 - Replacement of a surficial sealer, to reduce cost of material and traffic control.
 - The damage caused by frequent freeze / thaw events is compounded by regular application on the roads of salt and other corrosive de-icing chemicals, and the use of snow ploughs, snow chains and tyre studs, to reduce risk of accident. The work has now been completed (See Figures 3-5).



Figure 3. EdenCrete® bridge trial in Clinton County, Iowa

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Figure 4. EdenCrete® bridge trial in Clinton County, Iowa



Figure 5. EdenCrete® bridge trial in Clinton County, Iowa

- Scope – The bridge trial project is to evaluate the comparative performance of concrete that incorporates one gallon per cubic yard of EdenCrete® vs the same mix without EdenCrete®.
- The EdenCrete® was placed on the bridge deck and the reference concrete was placed on the two approaches. The EdenCrete® section will not use the county's typical topical cure and seal, and the reference concrete sections will have this sealer used as normal.
- Evaluation:
 - The Clinton County engineer will evaluate the durability of the two concrete mixtures-
 - In place performance – The difference between the EdenCrete® and reference will be visually inspected for signs of abrasion, scaling, cracking after a period of 6

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- months and 12 months. For snow and ice removal ploughing and sanding/salting will occur.
- Lab tests to be conducted for compressive and flexural strength, abrasion, split tensile strength, permeability.
 - The process of sealing the bridge deck requires additional traffic control and delayed opening of the bridge. Even with the additional cost of the EdenCrete[®], it would offer initial cost savings. With improved performance, this would offer an optimized bridge design both in cost and performance.
 - This Iowa bridge trial, evaluating the performance of EdenCrete[®] against alternative mixes in extreme winter weather conditions joins the major Colorado DOT trial at the Vail Pass in the Rocky Mountains in Colorado on the I-25 which started in May 2021 to compare the performance of other concrete mixes with EdenCrete[®] concrete in extreme winter conditions.
 - 12 months into the 3-year long trial in Colorado, EdenCrete[®] is demonstrating superior performance, boding well for the Clinton County, Iowa 12 months' long trial, which could spring-board future use of EdenCrete[®] in both Iowa's infrastructure, and in other states where extreme winter conditions occur.

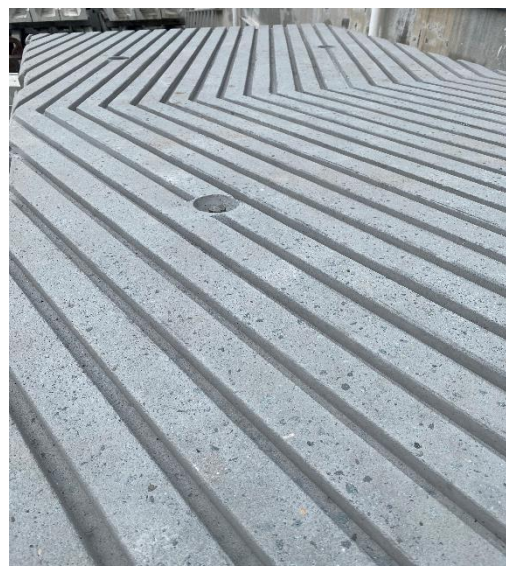
EDENCRETE[®] RETAIL AND ON-LINE SALES

- **Lowe's**
 - **EdenCrete[®] on sale in Oregon, Colorado, and On-Line across USA opening US Retail Market**
 - Since April 2022, EdenCrete[®] has been available, in 16 ounce-bottles, to retail customers in 14 selected Lowe's stores in Oregon, with 17 stores in Colorado added in July 2022.
 - Lowe's is also selling EdenCrete[®] on-line at lowes.com to customers across the USA.
 - Lowe's has a strong marketing and sales emphasis on both the whole US small - medium sized professional contractors and builders' market, and to the huge entire US "do-it-yourself" home improvement market, including through on-line sales.
 - **Launch of EdenCrete[®] named in Lowe's Q2 Earnings Conference Call**
 - The significance of EdenCrete[®] commencing to be sold by Lowe's is evidenced by the fact that on 17 August 2022, the Chairman/CEO of Lowe's Marvin Ellison and the Executive Vice President of Merchandising Bill Boltz, referenced EdenCrete[®]'s launch by name during the Lowe's Q2, 2022 Earnings Conference Call as an example of sustainable concrete admixture product they have brought into their offerings.
 - Lowe's places importance on promoting new and environmentally beneficial products, and the sustainability benefits and consequential reduction in the CO₂ footprint offered by concrete incorporating EdenCrete[®], is a driver of their interest in EdenCrete[®].
 - Lowe's, reported to be the second largest hardware supplier in the world with over 2,000 stores across North America, now offers EdenCrete[®] access, both in selected stores and also on-line, to the potentially huge US retail market for both the professional contractors / builders' markets and the very large US "Do-It Yourself" market.

AUSTRALIA/ NEW ZEALAND

Current Australian and New Zealand Progress made by Parchem Construction (EdenCrete® distributor)

- **SmartCrete CRC Research Project**
 - Marine Corrosion testing & monitoring project with use of products, including EdenCrete®
 - Project kick off 2022-2023 for 3 years.
- **EdenCrete® laboratory trials** - have commenced with bagged grouts.
- **Port of Brisbane – Jetty Project.**
 - Approx. total 50m³ of precast Jetty Planks, each at 2.4m³ each with 5L/m³, have been poured and the jetty installed in the Brisbane River. (Case Study Pending).
 - EdenCrete® was added at 5L/m³ in a 40MPa concrete mix design, (30% Fly ash vs. 20% in control).
 - The asset owner (Port of Brisbane) met their objective for increased durability and reduced permeability.



Figures 6 and 7 Port of Brisbane – Jetty Project

- **Technical Presentation meetings leading to trials being conducted with EC and Pz, including:-**
 - 5 x different large RMC Suppliers across Australia and New Zealand have samples conducting Laboratory Trials.
 - 2 x Australian Asset owners in the Roading & Water segments in NSW trialing concrete specification with EdenCrete®.
 - Engineers associated with NZ Pavement & Aviation Materials, whom want to trial EdenCrete® in pavements for durability.

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- Specialty Premaster NZ – two trials to commence for tensile, sustainability and bug hole improvements.
- Specialty Premaster AU - trials to commence for sustainability purposes.
- Pot ash trials continue with use of Pz in AU.
- **Conferences attended to showcase EdenCrete®**
 - ASCP Forum Concrete Pavements – technical presentation conducted in October 2022.
 - Attended NZ Concrete Conference - October 2022 – who’s who of NZ Concrete, Cement, Engineers & Contractors where more than 450 were in attendance.
- **Future conferences - CIA 2023**
 - Technical Abstract Submitted for consideration at Concrete 2023, Perth Western Australia.

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OPTIBLEND®

	Sales 31 Dec 2022 A\$000's	Sales 31 Dec 2021 A\$000's	Sales % Change
USA	133	871	-85%
INDIA	2,224	393	466%
Total	2,357	1,264	86%

During the half year, record sales were achieved by Eden India of its OptiBlend® dual fuel system, with a record in both the number of dual fuel systems sold, and the aggregate value of these sales.

Indian OptiBlend® Sales H1 FY 23 – A\$2.2m (H1 FY22 – A\$0.4m)

- Indian OptiBlend® sales rose significantly to A\$2.2m for the half-year (466% higher than in the first half of FY22) from the sale and installation of 51 dual fuel systems for diesel generator sets of various makes (including Caterpillar, Cummins, Volvo Penta) ranging from 250 - 2,000 kVA.
- This growth is anticipated to continue for some time and significant, ongoing sales are anticipated for the foreseeable future.

The sales were mainly to large commercial customers, for use on a wide range of predominantly large diesel generator sets.

This significant increase in OptiBlend® sales is largely due to Governmental regulations in Greater Delhi prohibiting the operation of diesel-powered generator sets for running on solely diesel fuel during the winter period (which extends into the first quarter of 2023) when air pollution reaches extreme levels, and higher sales levels (but lower than the record December 2022 quarter) were expected to continue through until the end of the March 2023 quarter. However, if market interest during 2023 drops, Eden India intends to focus more on the international market that Eden India services.

Eden India has been manufacturing, selling, and installing OptiBlend® dual fuel kits in India, Bangladesh, Dubai and Nigeria for the past 13 years and has sold hundreds of kits to many major national and international companies. The OptiBlend® system is one of the most highly regarded dual fuel systems in India, which is reflected in Eden India having been approached by several Original Equipment Manufacturers (OEMs) of diesel engines, that wished to explore the possibility of selling their diesel engines with OptiBlend® dual fuel kits attached.

US OptiBlend® Market Sales H1 FY23 – A\$0.1m (H1 FY22 – A\$0.9m)

- Sales during the half year were significantly lower than in the same comparative period of 2021. Eden US has a total of 7 independent companies that act as sales representatives for its OptiBlend® dual fuel kits, covering over 40 US states, but for various reasons, there were significantly reduced sales during Q1 compared with the very high sales achieved in the US first-half of FY22.

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- Eden US has significant client interest, and remains confident that sales will rebound again in the forthcoming periods.
- USD \$0.3 million worth of Purchase Orders were in hand, that will be paid upon shipment of the kits.
- A key US OptiBlend® sales representative expanded its OptiBlend® territory into Mississippi where they are already active with their other lines.
- A key target for US OptiBlend® sales is the health care sector, particularly in the mountain west region.

HYDROGEN

- Since December 2022, Eden has received an enquiry from a significant size company that has expressed interest in exploring the possibility of collaborating with Eden to use Eden's pyrolysis process to convert a supply of methane that it has which is not being used, into carbon nanotubes and turquoise hydrogen using renewable energy.
- An initial discussion has taken place and follow-up communications are anticipated during the next quarter.

CORPORATE

Management Changes

- Subsequent to the end of the half, Dag Grantham, Chief Executive Officer and President of Eden Innovations LLC ("Eden US"), Eden's wholly owned US subsidiary, has tendered his resignation effective from 15 January 2023 in order to pursue other opportunities. The Board of Directors of Eden thank Dag for his considerable contribution to the Company since he joined some six years ago and wish him all the best for the future.
- Greg Solomon, the Executive chairman of Eden, who has been an active director of the US subsidiary since its incorporation over 17 years ago, will assume the role of acting-CEO of Eden US on an interim basis. In this role he will be supported by the three most senior team members of Eden US who will each assume a higher level of authority.
- **New Appointment** - On 6 February 2023, Dr Allan Godsk Larsen (M.Sc PhD) was appointed as a Director of the Company. Dr Larsen is highly qualified with a PhD in electro-chemistry from Aarhus in Denmark in 2008. After completing his doctorate and a year consulting to the Danish Technological Institute, he undertook a three-year Postdoctoral Fellowship at Sydney University. Since then Allan has held the following positions:
 - Two and a half years as Senior Scientist R&D at Cap-XX Ltd in Sydney, developing super capacitors including working with carbon nanotubes;
 - Almost five and a half years as Catalyst Specialist and Sales Manager at Haldor Topsøe, a leading Danish catalyst company that sells its products around the world, after which:
 - Allan joined Eden in November 2016 where he has held the following positions:
 - November 2016 to April 2018 - Product Development Manager (including having designed and developed the EdenCrete® Pz range of products); and

- April 2018 to present- Chief Scientist and Manager of International Business
- **Retirements** – on 2 February 2023, Mr Lazaros Nikeas, and on 6 February 2023, Dr Stephen Dunmead retired as Directors of the Company.

Capital Activities

- During the first quarter of FY2023, Eden completed two placements raising \$1,755,000 (before costs of the issue) for further working capital. The new shares were issued at a price of \$0.08 and each investor received for every two new shares subscribed, one option to acquire an ordinary Eden share at an exercise price of 2.6 cents each at any time up until 28 April 2025.
- On 1 December 2022, Eden Innovations Ltd (Eden) initiated a partially underwritten non-renounceable pro-rata rights offer to Eden shareholders of one fully paid ordinary Eden share for every ten fully paid shares held, at a price of \$0.005 per share. The Offer closed on 25 January 2023, raising \$1,000,761 for general working capital.

Refinancing of Existing US Secured Loans

- Eden US, supported Eden Australia, completed a transaction to replace the two existing secured loans (totalling US\$3.365 million) secured against Eden's US real estate assets, with a new secured loan from iBorrow REIT LP of US\$6.475 million, which represents less than 55% of the recently re-appraised values of Eden's three US properties, carrying an interest rate at December 2022 of 9.89% p.a. The new loan was for 11 months (to 29 June 2023) and with an extension to 29 June 2024.
- After fully repaying the two existing secured loans, payment of all expenses and commissions, and creating reserves to cover future interest payments, real estate taxes and property insurance, approximately US\$1.775 million (A\$2.55million) of additional working capital for Eden was raised.

Vacant Land Sale – Augusta, Georgia

- Several potential buyers commenced reviewing the 64 acres of industrial land in Augusta, Georgia USA that Eden has for sale, and these reviews are nearing completion.

Restructuring of US Operations

- During the second quarter, a major restructuring of the US operation was undertaken in order to significantly reduce its overall operating costs, whilst still maintaining its full production capabilities and most of its sales team.
- As a result, the total budgeted annual operating costs of the Eden Group have been reduced by more than A\$3million, which reduction is anticipated will accelerate the Eden Group towards its current objective of becoming cash flow positive.
- This restructuring of the US operations, coupled with the reduction in the Company's share price during the six months to 31 December 2022 comprise impairment indicators in accordance with AASB 136 Impairment of Assets in the Australian Accounting Standards, and whilst the Company remains confident of deriving, in the short-medium term, considerable returns from its intellectual property, which is primarily related to the protection of a range of intellectual assets associated both the EdenCrete® and EdenPlast® ranges of products, the Group considered it prudent to impair the carrying value of its intangible assets in the current period. During the period from 1 July 2022 to 31 December 2022, revenue generated from the sale of EdenCrete® products was

impacted by a number of factors that resulted in the EdenCrete® revenue being less than the budgeted levels. These factors included shortages of both cement and haulage capability in the USA, significant focus by the Company on a retail launch of EdenCrete® which failed to generate the budgeted levels of demand, and an extremely harsh winter that has resulted in a considerable reduction in the amount of construction work that has been able to be undertaken since October 2022, and which is still continuing at the date of this report. It is anticipated that revenue from EdenCrete® sales will increase after the winter conditions have moderated.

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DIRECTORS' REPORT

Your directors submit the financial report of the consolidated group for the half-year ended 31 December 2022.

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
Dr Allan Godsk Larsen (appointed 6 Feb 2023)
Mr Lazaros Nikeas (retired 2 Feb 2023)
Dr Stephen Dunmead (retired 6 Feb 2023)

Company Secretary

Mr Jamie M Scoringe

Review of Operations

The net loss after income tax for the half year was \$12,995,558 (2021: \$2,562,962).

A review of the operations of the Group during the half-year ended 31 December 2022 is set out in the Review of Operations on Page 8.

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.

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

Further to the partially under-written Pro-rata Non-renounceable Rights Issue to Shareholders as announced to the ASX on 1 December 2022 and further extended on 22 December 2022, the offer concluded on 25 January 2023, with \$1,000,761 proceeds raised and 200,152,215 ordinary shares issued.

On 9 January 2023, 5,000,000 employee incentive shares were issued subject to voluntary escrow until 31 December 2023.

On 2 February 2023, Mr Lazaros Nikeas retired as Director of the Company.

On 6 February 2023, Dr Allan Godsk Larsen was appointed as Director of the Company, and Dr Stephen Dunmead retired as Director of the Company.

Other than advised above, 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.

Dividends

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

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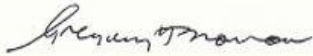
DIRECTORS' REPORT continued

Auditor's Declaration

The lead auditor's independence declaration under section 307C of the *Corporations Act 2001* is set out on page 27 for the half-year ended 31 December 2022.

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

Director



Gregory H Solomon

Dated this 28th day of February 2023

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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 2022, 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
28 February 2023

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CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE HALF-YEAR ENDED 31 DECEMBER 2022

	Note	Consolidated Group	
		31 Dec 2022	31 Dec 2021
		\$	\$
Revenue		3,085,842	2,024,427
Other income	2	4,865	780,597
Changes in inventories		441,675	236,009
Raw materials and consumables used		(1,435,919)	(775,383)
Depreciation and amortisation expense		(722,766)	(687,309)
Employee benefits expense		(2,588,327)	(2,384,804)
Finance costs		(837,030)	(367,110)
Legal and consultants		(363,721)	(329,348)
Management fees		(150,000)	(150,000)
Impairment of intangible assets	4	(9,348,075)	-
Other financial items	3	12,362	21,189
Other expenses		(936,119)	(820,430)
Travel and accommodation		(158,345)	(110,800)
Loss before income tax		(12,995,558)	(2,562,962)
Income tax (expense)/benefit		-	-
Loss for the period		(12,995,558)	(2,562,962)
Other Comprehensive Income / (Loss)			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Exchanges differences on translating foreign operations		(582,584)	353,220
Income tax relating to other comprehensive income		-	-
Total other comprehensive income / (loss), after tax		(582,584)	353,220
Total Comprehensive Income / (Loss) attributable to members of the parent		(13,578,142)	(2,209,742)
Basic/Diluted loss per share (cents per share)		(0.005)	(0.118)

The accompanying notes form part of these financial statements.

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**CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2022**

	Note	Consolidated Group	
		31 Dec 2022	30 Jun 2022
		\$	\$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents		2,645,722	1,553,106
Trade and other receivables		455,685	730,479
Inventories		2,797,498	2,563,345
Other current assets		1,325,336	188,309
TOTAL CURRENT ASSETS		7,224,241	5,035,239
NON-CURRENT ASSETS			
Property, plant and equipment		10,560,959	10,764,137
Intangible assets	4	235,317	9,987,272
TOTAL NON-CURRENT ASSETS		10,796,276	20,751,409
TOTAL ASSETS		18,020,517	25,786,648
CURRENT LIABILITIES			
Trade and other payables		853,826	949,665
Interest bearing liabilities	9	9,064,639	4,911,084
Other current liabilities		122,324	116,194
Provisions		260,725	217,544
TOTAL CURRENT LIABILITIES		10,301,514	6,194,487
NON-CURRENT LIABILITIES			
Interest bearing liabilities	9	39,748	-
Other liabilities		105,571	107,082
TOTAL NON-CURRENT LIABILITIES		145,319	107,082
TOTAL LIABILITIES		10,446,833	6,301,569
NET ASSETS		7,573,684	19,485,079
EQUITY			
Issued capital	5	123,250,258	121,603,612
Reserves		9,381,010	9,943,493
Accumulated losses		(125,057,584)	(112,062,025)
TOTAL EQUITY		7,573,684	19,485,079

The accompanying notes form part of these financial statements.

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CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF-YEAR ENDED 31 DECEMBER 2022

	Ordinary Share Capital	Share based payment Reserve	Foreign Currency Translation Reserve	Accumulated Losses	Total
	\$	\$	\$	\$	\$
Balance at 1 July 2021	114,736,287	8,409,046	410,848	(105,415,449)	18,140,732
Shares issued during the period	4,752,219	-	-	-	4,752,219
Share based payments during the period	-	251,282	-	-	251,282
Loss for the period	-	-	-	(2,562,962)	(2,562,962)
Other comprehensive income	-	-	353,220	-	353,220
Balance at 31 December 2021	119,488,506	8,660,328	764,068	(107,978,410)	20,934,491
Balance at 1 July 2022	121,603,612	8,720,285	1,223,208	(112,062,026)	19,485,079
Shares issued during the period	1,646,647	-	-	-	1,646,647
Share based payments during the period	-	20,101	-	-	20,101
Loss for the period	-	-	-	(12,995,558)	(12,995,558)
Other comprehensive income	-	-	(582,584)	-	(582,584)
Balance at 31 December 2022	123,250,259	8,740,386	640,624	(125,057,584)	7,573,684

The accompanying notes form part of these financial statements.

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**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2022**

	Consolidated Group	
	31 Dec 2022	31 Dec 2021
	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	3,616,270	2,461,719
Payments to suppliers and employees	(6,260,330)	(4,538,257)
Interest paid	(491,715)	(235,093)
Interest received	2,303	1,948
Net cash used in operating activities	<u>(3,133,472)</u>	<u>(2,309,683)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Payment for development of intangibles	(58,653)	(612,561)
Purchase of property, plant and equipment	-	(35,676)
Net cash used in investing activities	<u>(58,653)</u>	<u>(648,237)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from shares issued	1,666,747	4,723,923
Proceeds from borrowings	9 2,677,779	170,711
Repayment of borrowings	-	(102,850)
Net cash provided by financing activities	<u>4,344,526</u>	<u>4,791,784</u>
Net increase in cash held	1,152,401	1,833,864
Net increase/(decrease) due to foreign exchange movements	(59,785)	104,387
Cash at beginning of period	1,553,106	2,175,570
Cash at end of period	<u><u>2,645,722</u></u>	<u><u>4,113,821</u></u>

The accompanying notes form part of these financial statements.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2022

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 2022 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 the realisation of assets and extinguishment of liabilities in the ordinary course of business.

The Group has reported a net loss of \$12,995,558 (which includes \$9,348,075 by way of a non-cash impairment of the carrying value of the Group's intellectual property, which may be reversed in the event of increases to the Group's revenue as provided under the provisions of AASB136) for the period (2021: \$2,562,962), a cash outflow from operating activities of \$3,133,472 for the period (2021: \$2,309,683) and a net working capital deficit as at 31 December 2022 of \$3,077,273 (2021: \$1,159,248). The directors are confident that the Group, subject to being able to raise further capital by way of further equity raising and/or the sale of the Group's real estate located in Georgia USA, will be able to continue its operations as a going concern.

Without such capital or additional funding, the net loss for the year and the cash outflow from operating activities (or additional funding from other resources) 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.

The Consolidated Financial Statements do not include any adjustment relative to the recoverability and classification of recorded asset amounts, or the amounts of classification of liabilities that might be necessary should the Group not continue as a going concern.

Accounting Policies

The accounting policies have been consistently applied by the entities in the consolidated group and are consistent with those in the June 2022 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.

	31 Dec 2022	31 Dec 2021
	\$	\$
NOTE 2: OTHER INCOME		
Interest	4,865	473
Loan forgiveness – SBA loan	-	780,124
Total	4,865	780,597
NOTE 3: OTHER FINANCIAL ITEMS		
Foreign exchange gain / (loss)	12,362	21,189
Total	12,362	21,189

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NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2022

NOTE 4: INTANGIBLE ASSETS

	31 Dec 2022	30 June 2022
	\$	\$
Intellectual property	22,140,668	22,229,577
Accumulated amortisation	(3,128,756)	(2,813,785)
Accumulated impairment expenses	(18,776,595)	(9,428,520)
Net carrying value	<u>235,317</u>	<u>9,987,272</u>
Balance at the beginning of the year	9,987,272	9,123,044
Additions	-	1,484,352
Amortisation expense	(403,880)	(620,124)
Impairment expense	<u>(9,348,075)</u>	<u>-</u>
Carrying amount at the end of the year	<u>235,317</u>	<u>9,987,272</u>

Intellectual property relates to pyrolysis technology, EdenCrete®, EdenPlast® and OptiBlend®.

As at 31 December 2022, the Company performed relevant impairment testing of its EdenCrete® cash-generating unit, consistent with impairment indicators as noted by AASB136 that occurred during the period. Management tested the recoverable amount of the EdenCrete® CGU adopting the value-in-use method over a five-year period using the following key assumptions:

- A terminal growth rate applicable to the trading environment of 2.13%.
- The discount rate applied to expected future net cash inflows was 17.96%.
- Revenue forecasts based on current year revenue, pipeline clientele and projections of 35% per annum growth. During the period from 1 July 2022 to 31 December 2022, revenue generated from the sale of EdenCrete® products was impacted by a number of factors that resulted in the EdenCrete® revenue being less than the budgeted levels. These factors included shortages of both cement and haulage capability in the USA, significant focus by the Company on a retail launch of EdenCrete® which failed to generate the budgeted levels of demand, and an extremely harsh winter that has resulted in a considerable reduction in the amount of construction work that has been able to be undertaken since October 2022, and which is still continuing at the date of this report. It is anticipated that revenue from EdenCrete® sales will increase after the winter conditions have moderated.

The Company assessed that the recoverable value of its CGU was less than it's carrying value at the reporting date and accordingly an impairment of \$9,348,075 was recognised against the intangible asset, bringing the carrying value of the CGU's intangible asset to nil. As a result of the impairment noted above, any future events that result in significant incremental changes to forward assumptions would accordingly result in a reversal of the impairment charge.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2022

NOTE 5: ISSUED CAPITAL

a. Ordinary shares	31 Dec 2022	30 June 2022	31 Dec 2022	30 June 2022
	No.	No.	\$	\$
At the beginning of reporting period	2,485,452,995	2,852,852,348	121,603,612	114,736,287
Shares issued during the period	225,777,136	402,600,647	1,646,646	6,867,325
At reporting date	2,711,230,131	2,485,452,995	123,250,258	121,603,612

- 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 2022	30 June 2022
	No.	No.
At the beginning of reporting period	246,535,140	69,394,506
Options issued	236,375,000	189,172,832
Options exercised	(2,136)	(32,198)
Options lapsed/cancelled	(57,394,506)	(12,000,000)
At reporting date	425,513,498	246,535,140

c. Performance rights	31 Dec 2022	30 June 2022
	No.	No.
At the beginning of reporting period	-	27,304,014
Performance rights issued	-	-
Performance rights lapsed/cancelled	-	(27,304,014)
At reporting date	-	-

NOTE 6: CONTINGENT LIABILITIES AND CONTINGENT ASSETS

The Directors are not aware of any contingent assets or contingent liabilities as at 31 December 2022.

NOTE 7: EVENTS SUBSEQUENT TO REPORTING DATE

Further to the partially under-written Pro-rata Non-renounceable Rights Issue to Shareholders as announced to the ASX on 1 December 2022 and further extended on 22 December 2022, the offer concluded on 25 January 2023, with \$1,000,761 proceeds raised and 200,152,215 ordinary shares issued.

On 9 January 2023, 5,000,000 employee incentive shares were issued subject to voluntary escrow until 31 December 2023.

On 2 February 2023, Mr Lazaros Nikeas retired as Director of the Company.

On 6 February 2023, Mr Allan Godsk Larsen was appointed as Director of the Company, and Mr Stephen Dunmead retired as Director of the Company.

Other than advised above, 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.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2022

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.

Transactions with related parties:

	31 Dec 2022	31 Dec 2021
	\$	\$
Key Management Personnel		
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.	12,167	15,785

NOTE 9: INTEREST BEARING LIABILITIES

	31 Dec 2022	30 Jun 2022
	\$	\$
Dumont Way property purchase loan (2 nd mortgage over the Dumont Way property, 4% interest rate, denominated in USD and 0.3 years remaining)	-	530,530
SBA Loan (Unsecured, 1% interest rate, denominated in USD)	-	39,090
SnowPoint Loan (Secured over all 3 properties, 11% interest rate, denominated in USD)	-	4,341,464
iBorrow (Secured over all 3 properties, 9.89% interest rate, denominated in USD)	9,064,639	4,341,464
Total current portion	9,064,639	4,911,084
Dumont Way property purchase loan (2 nd mortgage over the Dumont Way property, 6% interest rate, denominated in USD and 0.3 years remaining)	-	-
iBorrow (Secured over all 3 properties, 9.89% interest rate, denominated in USD)	39,748	-
Total non-current portion	39,748	-
Total	9,064,639	4,911,084
Opening Balance	4,911,084	5,257,269
Proceeds from borrowing, net of borrowing costs	8,532,249	231,137
Repayment of borrowings	(4,911,084)	(231,137)
Borrowing costs expensed	331,798	131,845
Loan forgiveness*	-	(849,521)
FX (gain) / loss	200,592	371,491
Closing balance	9,064,639	4,911,084

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NOTE 10: 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.
- Eden Innovations India Pvt Ltd –Optiblend™ sales, service and manufacturing in India.

	Eden Innovations LLC \$	Eden Energy India Pvt Ltd \$	Eliminations \$	Economic Entity \$
2022				
External sales	864,949	2,220,894	-	3,085,842
Internal sales	209,459	-	(209,459)	-
Total segment revenue	1,074,408	2,220,894	(209,459)	3,085,842
Segment Result	(3,392,170)	1,476,854	-	(1,915,316)
Unallocated expenses				(10,243,213)
Result from operating activities				(12,158,529)
Finance costs				(837,030)
Loss before income tax				(12,995,558)
Income tax benefit				-
Loss after income tax				(12,995,558)
Segment assets	14,554,915	3,051,553	-	17,606,468
Unallocated assets				285,127
Total assets				18,020,517
Segment liabilities	10,053,932	226,914	(119,140)	10,161,706
Unallocated liabilities				285,127
Total liabilities				10,446,832
Capital expenditure	32,358	315	248,481	281,154
Depreciation and amortisation	406,518	166	316,082	722,766
2021				
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

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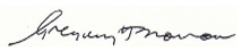
DIRECTORS' DECLARATION

The directors of the Company declare that:

1. The financial statements and notes, as set out on pages 28 to 36:
 - a. comply with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001; and
 - b. give a true and fair view of the consolidated entity's financial position as at 31 December 2022 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 Company 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 28th day of February 2023

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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 2022, 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 2022 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 Group incurred a net loss of \$12,995,558 and cash outflows from operating activities of \$3,133,472 during the half year ended 31 December 2022 and that the Group had a net working capital deficit of \$3,077,273 at reporting date. 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 Group's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

Nexia Perth

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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 2022 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.



Nexia Perth Audit Services Pty Ltd



M. Janse Van Nieuwenhuizen
Director

Perth
28 February 2023

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