



Innovations that work.™

## ASX Quarterly Report

For the Quarter Ended 30 September 2022

TOTAL GROUP SALES (A\$000's) for Q1 FY2023

	Sales 3 months to 30 Sep 22 A\$000's	Sales 3 months to 30 Sep 21 A\$000's	Sales % Change
EdenCrete®	524	470	+12%
OptiBlend®	927	998	-7%
Total for Q4	1,451	1,468	-1%

## HIGHLIGHTS

### EdenCrete®

- Interest in the range of EdenCrete® Pz admixtures for Low cost / High Fly Ash content / Low Portland cement content / Low CO<sub>2</sub> 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 'National Infrastructure Pipeline' in the next five years<sup>1</sup>, with growing interest in sustainable construction.
- 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
- 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.

### OptiBlend®

- Indian OptiBlend® sales rose significantly to A\$817,000 for Q1 of FY23 (316% higher than Q1 in 2022) from the sale and installation of 28 dual fuel systems for diesel generator sets of various makes (including Caterpillar, Cummins, Volvo Penta) ranging from 250 - 2,000 kVA.

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

# DETAILS

## *EdenCrete*<sup>®</sup>

**US EDENCRETE<sup>®</sup> SALES - Q1 FY23 – A\$521,000 (Q1 FY22 – A\$470,000)**

**INDIAN EDENCRETE<sup>®</sup> SALES - Q1 FY23 – A\$3,000 (Q1 FY22 – A\$0)**

## **EDENCRETE<sup>®</sup> MARKETS**

### **LOW CO<sub>2</sub> CONCRETE FOR ALL APPLICATIONS**

- Rapidly growing interest in the EdenCrete<sup>®</sup> Pz range of admixtures that was developed by Eden to enable concrete to be mixed using significantly increased percentages of low cost, ultra-low CO<sub>2</sub> 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 CO<sub>2</sub> footprint Ordinary Portland Cement.
- The EdenCrete<sup>®</sup> 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 very important factor in the anticipated steep increase in global sales of EdenCrete<sup>®</sup> over the coming years.
- Whilst the greatly reduced cost and lower CO<sub>2</sub> 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<sup>®</sup> Pz range of admixtures are the primary drivers for the significant, emerging sales growth of EdenCrete<sup>®</sup> admixtures in India and Indonesia, rather than the lower CO<sub>2</sub> 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 the North America and Europe where the cost of OPC is often double the price 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<sup>®</sup>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<sup>®</sup> 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 CO<sub>2</sub> 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<sup>®</sup> products.
- During the quarter Eden received initial enquiries from globally significant concrete companies in USA/Canada and France wishing to trial the EdenCrete<sup>®</sup> Pz range of admixtures, both of which are now underway.

## INDIA - EDENCRETE® MARKET

- **India's infrastructure market is targeted to reach US\$5 trillion by 2025**<sup>1</sup>.

- India is expected to become the world's third largest construction market by 2022<sup>1</sup>. 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 approx. 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.”<sup>2</sup>.

<sup>2</sup> [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](http://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 (**See Figure 1.**)
- 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 included to enhance the serviceability of the pavement (see highlighting on Figure 1.)
- 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.

**Section II**

**Construction Materials**

SI No	Description	Brand/Source	Conforms to
1.	Cement OPC 53	As per approved list in NHAI, MoRTH, PWD and MMRDA or approved by the Authority's Engineer.	IS 269
2.	Coarse Agg. (10/20mm)		IS 383
3.	Fine Agg. (Crushed)		IS 383
4.	Admixture		IS 9103
5.	GGBS or Silica Flume		IS 16714/16715 or IS 15388
6.	Flash		IS 3812 Part 1
7.	Concrete M40 Grade (PQC)		IS 456 & IS 10262

**Note:** The materials & Brand/Source listed above are indicative and shall be utilized as per requirements of the project. Any other materials & Brand/Source whenever required to complete the works shall successfully be procured as per specification or contract requirements and the same shall be notified to the Authority's Engineer before such materials to be used.

**Section III**

**Key Product Specifications**

SI No	Area/Parameter	Indicator
1.	Open to Traffic	The pavement shall be open to traffic within 7 days after casting
2.	Flexural Strength	The characteristic flexural strength of concrete shall not be less than 4.5Mpa unless specified otherwise.
3.	Self-Cured Concrete	No water curing is required (Surface evaporation should be stopped by covering the surface with 1000 micron plastic).
4.	Water Permeability	The values shall be less than 10mm when tested as per DIN 1048
5.	Nano Carbon Technology	Enhance serviceability of pavement

Figure 1. – Extract from MMRDA Tender for one of the expressways

- 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.

## 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 EdenCrete® 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 EC) with further projects expected.
- **Smyrna Ready Mix (SRM), Denver**
  - SRM is new customer that will require approximately US\$10,000 worth of EdenCrete® for a new project in Denver that commences in 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 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-bound (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.

## US INFRASTRUCTURE

### Iowa

- Iowa has a total of 18,637 bridges and 17,775 miles of paved roads<sup>3</sup> 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.  
<sup>3</sup>. **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 2-4).



Figure 2. EdenCrete® bridge trial in Clinton County, Iowa



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



**Figure 4. 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 months and 12 months. For snow and ice removal ploughing and sanding/salting will occur.
  - Lab tests –compressive and flexural strength, abrasion, split tensile strength, permeability.
- The process of the 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.

## **US Infrastructure in General**

- **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” on benefits delivered by EdenCrete related to sustainability and resilience
  - Forthcoming Presentation on EdenCrete® to be given in session on sustainability and resilience of pavement at ACPA – 59<sup>th</sup> Annual Meeting – November 2022

## 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 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 2023, 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 CO<sub>2</sub> 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.

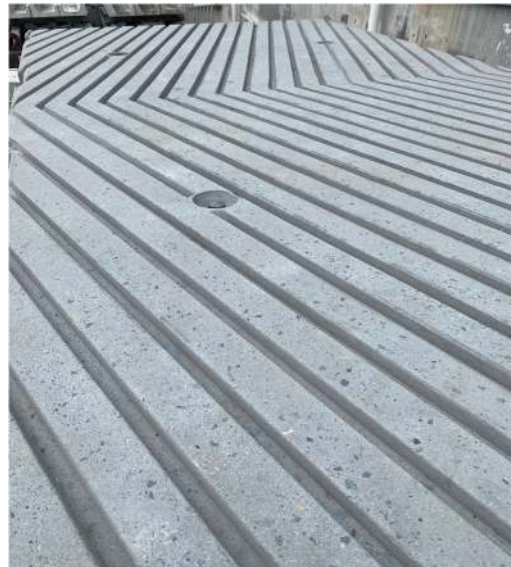
## INDONESIA

- 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.
- Based on the trials to date, Eden is confident Indonesia will emerge as a significant global market for EdenCrete® products.

## 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 50m<sup>3</sup> of precast Jetty Planks, each at 2.4m<sup>3</sup> each with 5L/m<sup>3</sup>, have been poured and the jetty installed in the Brisbane River. (Case Study Pending)
  - EdenCrete® was added at 5L/m<sup>3</sup> in a 40MPa concrete mix design, ( 30% Fly ash vs. 20% in control)
  - The asset owner- Port of Brisbane – objective increased Durability and reduced permeability



Figures 5 and 6 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 Rooding & Water segments in NSW trialing concrete specification with EdenCrete®.
  - Engineers associated with NZ Pavement & Aviation Materials wants to trial EdenCrete in pavements for Durability.
  - 2 x Specialty Premaster – NZ trials to commence for Tensile & sustainability & 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 - more than 450 in attendance.
- **Future conferences - CIA 2023**
  - Technical Abstract Submitted for consideration at Concrete 2023, Perth

## **OPTIBLEND®**

### **OptiBlend® Sales for the Quarter (Q1 FY23)**

	<b>SALES Q1 FY 23 (A\$000s)</b>	<b>SALES Q1 FY 22 (A\$000s)</b>	<b>% Change</b>
<b>INDIA</b>	<b>817</b>	<b>196</b>	<b>316%</b>
<b>USA</b>	<b>110</b>	<b>802</b>	<b>-86%</b>
<b>TOTAL For Q1</b>	<b>927</b>	<b>998</b>	<b>-7%</b>

### **OPTIBLEND® SALES SUMMARY**

**TOTAL SALES - Q1 FY 23 – A\$0.93m ( Q1 FY22 – A\$1.0m )**

#### **Indian OptiBlend® Sales Q1 FY 23 – A\$0.82m (Q1 FY22 – A\$0.20m)**

- Indian OptiBlend® sales rose significantly to A\$817,000 for the quarter (316% higher than in Q1 of FY22, and 195% higher than the same quarter in FY 21) from the sale and installation of 28 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.

### **US OptiBlend® Sales Q1 FY 23 – A\$0.11m (Q1 FY22 – A\$0.80m)**

- Sales during the quarter were significantly lower than in the same quarter 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 Q4 of FY22.
- However, Eden US has current quotes that have been provided to prospective customers by these sales representatives of over US\$3 million, and remains confident that sales will rebound again in forthcoming quarters.

## **HYDROGEN**

- Since the end of the quarter 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**

### **US Management Changes**

- Subsequent to the end of the quarter, 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.

### **Placements**

- During the quarter 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.

### **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 the Eden's three US properties, carrying an interest rate of 9.75% 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, supplementing the revenue stream being received from increasing product sales.



**Gregory H Solomon**

*Executive Chairman*

This report was authorised by the above signatory.

For further information please contact Aaron Gates on +61 8 9282 5889.

**Description of Payments to related parties of the entity and their associates (LR 5.3.5)**

Payments to related parties during the quarter related to:

1. Directors Fees and superannuation
2. Management Fees, as per agreement, were paid during the quarter to a company of which Mr. GH Solomon and Mr. DH Solomon are directors; and
3. Legal Fees were paid during the quarter to a firm of which Mr. GH Solomon and Mr. DH Solomon are partners.

## Appendix 4C

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

**Name of entity**

Eden Innovations Ltd

**ABN**

58 109 200 900

**Quarter ended ("current quarter")**

30 September 2022

<b>Consolidated statement of cash flows</b>	<b>Current quarter \$A'000</b>	<b>Year to date (3 months) \$A'000</b>
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	1,613	1,613
1.2 Payments for		
(a) research and development	(349)	(349)
(b) product manufacturing and operating costs	(1,132)	(1,132)
(c) advertising and marketing	(160)	(160)
(d) leased assets	-	-
(e) staff costs	(1,152)	(1,152)
(f) administration and corporate costs	(439)	(439)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	1	1
1.5 Interest and other costs of finance paid	(283)	(283)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material)	-	-
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(1,901)</b>	<b>(1,901)</b>
<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	-	-
(d) investments	-	-
(e) intellectual property	-	-
(f) other non-current assets	-	-

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

<b>3. Cash flows from financing activities</b>		
3.1 Proceeds from issues of equity securities (excluding convertible debt securities)	1,741	1,741
3.2 Proceeds from issue of convertible debt securities	-	-
3.3 Proceeds from exercise of options	-	-
3.4 Transaction costs related to issues of equity securities or convertible debt securities	(134)	(134)
3.5 Proceeds from borrowings	2,677	2,677
3.6 Repayment of borrowings	-	-
3.7 Transaction costs related to loans and borrowings	-	-
3.8 Dividends paid	-	-
3.9 Other (provide details if material)	-	-
<b>3.10 Net cash from / (used in) financing activities</b>	<b>4,284</b>	<b>4,284</b>

<b>4. Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1 Cash and cash equivalents at beginning of period	1,538	1,538
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(1,901)	(1,901)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	-	-

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (3 months) \$A'000</b>
4.4	Net cash from / (used in) financing activities (item 3.10 above)	4,284	4,284
4.5	Effect of movement in exchange rates on cash held	125	125
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>4,046</b>	<b>4,046</b>

<b>5.</b>	<b>Reconciliation of cash and cash equivalents</b> at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	<b>Current quarter \$A'000</b>	<b>Previous quarter \$A'000</b>
5.1	Bank balances	4,046	1,538
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
<b>5.5</b>	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>4,046</b>	<b>1,538</b>

<b>6.</b>	<b>Payments to related parties of the entity and their associates</b>	<b>Current quarter \$A'000</b>
6.1	Aggregate amount of payments to related parties and their associates included in item 1	316
6.2	Aggregate amount of payments to related parties and their associates included in item 2	

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

Directors Fees and superannuation were paid during the quarter.  
Management Fees, as per agreement, were paid during the quarter to a company of which Mr GH Solomon and Mr DH Solomon are directors.  
Legal Fees were paid during the quarter to a firm of which Mr GH Solomon and Mr DH Solomon are partners.



7. <b>Financing facilities</b> <i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>
7.1 Loan facilities	10,000	10,000
7.2 Credit standby arrangements		
7.3 Other (please specify)		
<b>7.4 Total financing facilities</b>	<b>10,000</b>	<b>10,000</b>
<b>7.5 Unused financing facilities available at quarter end</b>		-
7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.	<div style="border: 1px solid black; padding: 5px;"> <p>Loan for the sum of US\$6.475 million from iBorrow LP. Interest at 9.75% pa, and 9 months remaining. For full further details please refer to the ASX announcement date 27 May 2022.</p> <p>Eden US received a U.S. CARES Act SBA loan and has US\$26,929 outstanding.</p> </div>	

<b>8. Estimated cash available for future operating activities</b>	<b>\$A'000</b>
8.1 Net cash from / (used in) operating activities (item 1.9)	1,901
8.2 Cash and cash equivalents at quarter end (item 4.6)	4,046
8.3 Unused finance facilities available at quarter end (item 7.5)	-
8.4 Total available funding (item 8.2 + item 8.3)	4,046
<b>8.5 Estimated quarters of funding available (item 8.4 divided by item 8.1)</b>	<b>2.12</b>
<i>Note: if the entity has reported positive net operating cash flows in item 1.9, answer item 8.5 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.5.</i>	
8.6 If item 8.5 is less than 2 quarters, please provide answers to the following questions:	
8.6.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
Answer: N/A	
8.6.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
Answer: N/A	
8.6.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?	
Answer: N/A	
<i>Note: where item 8.5 is less than 2 quarters, all of questions 8.6.1, 8.6.2 and 8.6.3 above must be answered.</i>	

## Compliance statement

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

Date: 27 October 2022

Authorised by: Aaron P Gates  
(Name of body or officer authorising release – see note 4)

## Notes

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