



Innovations that work.™

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

Condensed Interim Financial Report
for the
Half-Year Ended 31 December 2023

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REVIEW OF OPERATIONS

Pyrolysis Technology

- Following interest from a large multi-national company in Eden Innovations Ltd (“Eden”)’s patented, core pyrolysis technology to produce hydrogen and carbon nanotubes from natural gas without producing CO₂ as a by-product, Eden has developed a different grade of carbon nanotubes (CNT) which are being analysed for suitability for use in high performance batteries.

EdenCrete®

EDENCRETE® MARKETS

- Encouraging trials continuing in 4 countries, spread across 3 continents, with a global cement and concrete manufacturing company that is interested in the EdenCrete® range of products, particularly for use in low-CO₂ concrete.
- US Market
 - Total value of EdenCrete® sales in USA for the half-year was ~A\$500,536 (US\$ \$324,195)
 - Trials and/or projects with new customers undertaken or planned in 5 States (Colorado, California, Kansas, New Mexico, and Texas).
- International Market
 - Continued interest from companies in India, Indonesia, and Europe, particularly for use in low CO₂ concrete using EdenCrete® products.

OptiBlend®

- Whilst market interest continues growing in both USA and India in OptiBlend® dual fuel kits, with increased enquiries for quotations, a slowdown in new sales occurred in the half-year in both USA and India.
 - USA - US\$4.125 million (~A\$6.162 million) in current OptiBlend quotes at the end of December 2023 and US\$347,000 (~A\$518,358) worth of orders held that are awaiting delivery.
 - New US OptiBlend sales for the half-year totalled US\$197,655 (~A\$305,527). In January 2024, a new order for ~US\$29,000 (~A\$43,321) has been received.
 - India – Following record sales in FY 2023, Indian sales of OptiBlend remained slow, with Indian OptiBlend revenue for the half-year of INR 4.4 million Rupees (~A\$82,308), being derived from installations of kits sold in the prior year. However, there are 10 sales to significant sized companies that are presently under negotiation, worth approximately 38 million Rupees (~A\$686,000), some of which are expected to be converted into sales in the second half of the financial year.

Corporate Activities

Dividend Payment from Eden India

During the half-year, Eden India paid to Eden Australia a further dividend of A\$174,225 (10 million Indian Rupees) that was paid from retained earnings accrued over the past few years.

Capital Activities

In September 2023, a Placement of shares and new options raised A\$1.1 million through the issue of 366,666,665 ordinary shares ("Placement Shares") at an issue price of 0.3 cents (\$0.003) per Placement Share, together with 183,333,333 EDEOD options, being one (1) free attaching option for every two (2) Placement Shares subscribed, with each EDEOD option exercisable at \$0.009 and expires on 11 September 2026. An additional 60,000,000 EDEOD Options were issued to the Broker of the Placement.

Noble Energy Loan

In July 2023, Eden's largest shareholder, Tasman Resources Ltd (via its 100% owned subsidiary Noble Energy Pty Ltd ("Noble")), entered into a loan of \$2,300,000 ("Noble Loan") to Eden, to enable Eden US to (amongst other things) reduce the principal sum, and pay the renewal fee and interest reserve replenishment associated with the iBorrow renewal (see following item). The Noble Loan, which is unsecured and repayable on demand attracts interest at 9.97% per annum. During the half-year, Noble continued to provide additional working capital advances to Eden under the terms of the loan agreement.

Following approval from shareholders at Eden's Annual General Meeting on the 30th of November 2023, Eden converted \$880,000 of the loan balance as partial satisfaction of the Noble Loan to Ordinary Shares in Eden. The conversion was completed consistent with the September 2023 placement, being at \$0.003 per share with 1 for 2 free attaching EDEOD Options. Further agreement to convert \$320,000 of the loan on the same terms and conditions as the initial tranche is anticipated to be undertaken after 1 June 2024.

The balance of the Noble Loan at the end of the half-year was \$2,267,668, including accrued interest.

Extension of Financing Facility

In August 2023, Eden (via Eden USA) exercised its option to extend its secured debt financing agreement with iBorrow REIT, LP for a further 12-month period. Consistent with the terms of the renewal, the principal amount was reduced by US\$675,000 (A\$1,018,100) with the remaining principal of US\$5,800,000 (A\$8,748,115) due on 7 August 2024. A renewal fee of USD\$60,750 (A\$91,629), legal fees and replenishment of the debt holder's Interest reserve of \$359,032 (A\$541,526) was also paid. The note continues to bear interest at a rate of 9.75% per annum, payable monthly in advance, and is secured by all three of Eden's freehold properties and is guaranteed by Eden.

Acquisition of 30% interest in Conditional Battery Joint Venture (Subsequent Event)

On the 21st of February 2024, Eden entered into a conditional Joint Venture agreement with Venture Aerospace LLC to develop, market, and potentially manufacture, solid-state batteries using its carbon nanotube technology. Eden will initially hold a 30% interest in the joint venture, reducing to 24% following a capital raising within the incorporated Joint Venture of USD\$10million.

Adoption of Revaluation Model for Land and Buildings

Eden re-assessed its accounting for property, plant and equipment with respect to measurement of its Land and Buildings after initial recognition. Eden had previously measured all property, plant and equipment using the cost model whereby, after initial recognition of the asset classified as property, plant and equipment, the asset was carried at cost less accumulated depreciation.

From 31 October 2023, Eden elected to change the method of accounting for its Land and Buildings classified as property, plant and equipment, as Eden believes that the revaluation model provides more relevant information to the users of its financial statements, given the associated debt and security instruments with iBorrow REIT reflect the valuations of the Land and Buildings. In addition, available valuation techniques provide reliable estimates of the Land and Buildings' fair value. Eden has applied the revaluation model prospectively.

After initial recognition, the Land and Buildings within Property, Plant and Equipment are measured at fair value at the date of the revaluation less any subsequent accumulated depreciation.

In October 2023, an independent professional valuer was engaged to provide updated valuations consistent with the obligations of Eden's financing agreement with iBorrow REIT. The valuation provided of USD\$5,920,000 (AUD\$8,654,971) was adopted in respect of the Land and Buildings located in Colorado, USA.

Sale of Property – Augusta, Georgia

At the end of the half-year, two of the three potential purchasers that inspected Eden's 65 acres of industrial land in Augusta, Georgia recently, were reviewing whether to make an offer to purchase the land.

In October 2023, an independent professional valuer was engaged to provide updated valuations consistent with the obligations of Eden's financing agreement with iBorrow REIT. While the valuation of USD\$5,000,000 (AUD\$7,878,979) was provided, the associated Land and Buildings were classified as Assets Held for Sale within the Financial Statements for the year ended 30 June 2023, in compliance with AASB 5 – Non-current Assets Held for Sale and Discontinued Operations ("AASB5"). AASB5 requires that assets are measured at the lower of their carrying amount and fair value less costs to sell. Therefore, the historical cost less accumulated depreciation of AUD\$1,861,454 is reflected in the current assets of Eden within the Condensed Consolidated Statement of Financial Position at 31 December 2023.

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

REGISTERED OFFICE:

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197 St Georges Terrace
Perth
Western Australia 6000
Tel +61 8 9282 5889
Email: mailroom@edeninnovations.com.au
Website: www.edeninnovations.com

SOLICITORS:

Solomon Brothers
Level 15
197 St Georges Terrace
Perth WA 6000

AUDITORS:

Nexia Perth Audit Services Pty Ltd
Level 3
88 William Street
Perth WA 6000

SHARE REGISTRY:

Advanced Share Registry Services
110 Stirling Highway
Nedlands WA 6009

STOCK EXCHANGE LISTING:

ASX Code: EDE (ordinary shares); EDEO (5 cent options); EDEOC (2.6 cent options); EDEOD (0.9 cent options)

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

DIRECTORS' REPORT

Your directors submit the financial report of Eden Innovations Ltd (the "Company") and controlled entities (the "Group") for the half-year ended 31 December 2023.

Directors

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

Mr Gregory H Solomon

Mr Douglas H Solomon

Dr Allan Godsk Larsen

Company Secretary

Mr Jamie M Scoringe

Review of Operations

The net loss after income tax for the half-year was \$3,881,670 (2022: \$12,995,558).

A review of the operations of the Group during the half-year ended 31 December 2023 is set out in the Review of Operations on Page 3.

Principal Activities

The Group 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 Group's principal activities during the half-year.

Financial Position

At the end of the half-year, the Group held \$1,420,502 in cash (30 June 2023: \$2,534,969). Cost saving activities commenced in the year ended 30 June 2022 have continued to reduce net cash used in operating activities for the half-year to \$3,211,128 (2022: \$3,133,472), including the final Income tax payments made in Eden India of \$752,994 in respect of the year ended 30 June 2023. The net assets of the Group have increased to \$7,384,501 (30 June 2023: \$4,728,754) following the non-cash revaluation of \$5,079,480 of its Land and Buildings during the half-year. The Group's working capital, being current assets less current liabilities, has decreased to a deficit of \$5,484,419 at 31 December 2023 (30 June 2023: deficit of \$4,075,042), predominantly as a result of a continued reduction in cash resources related to operating losses.

The condensed consolidated financial statements have been prepared on a going concern basis. In arriving at this position, the directors have had regard to the fact that based on the matters noted below the Group, in the directors' opinion, will have access to, sufficient cash to fund administrative and other committed expenditure for a period of at least 12 months from the date of signing this condensed interim financial report.

In forming this opinion, the directors have taken into consideration the following:

- being able to raise further capital by way of private placement via its commercial or joint venture partnerships, broker placement or further equity raising;
- being able to raise other additional funding, including, but not limited to the sale of the Group's real estate located in Georgia USA;
- possible further support from Tasman Resources Ltd via its wholly owned subsidiary, Noble Energy Pty Ltd;
- being able to settle or extend the iBorrow facility as and when it becomes due on 8 August 2024 either by renegotiation or refinancing; and
- the ability to generate increased revenue from the sale of the Group's products.

Should the Group not achieve the matters set out above, there is significant uncertainty whether the Group will continue as a going concern and therefore whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the condensed consolidated financial statements. The condensed interim consolidated financial statements do not include any adjustment relating to the recoverability or classification of recorded asset amounts or to the amounts or classification of liabilities that might be necessary should the Group not be able to continue as a going concern and meet its debts as and when they fall due.

DIRECTORS' REPORT

Significant Changes in State of Affairs

Other than disclosed elsewhere in the condensed interim financial report, there have been no significant changes in the state of affairs that occurred during the half-year.

After Balance Date Events

On the 16th of January 2024, the Company issued 11,257,669 shares to employees and consultants as part of their remuneration package. The shares were issued free of charge under voluntary escrow until 31 December 2024. Expenses associated with the share issue were provided for within the condensed consolidated financial statements for the half-year ending 31 December 2023.

On the 12th of February 2024, Tasman Resources Ltd announced it had further advanced \$450,000 to the Company via its wholly owned subsidiary Noble Energy Pty Ltd for the purposes of ongoing working capital. (Refer Note 10 to the condensed consolidated financial statements).

On the 21st of February 2024, the Company entered into a conditional Joint Venture agreement with Venture Aerospace LLC to develop, market, and potentially manufacture, solid-state batteries using its carbon nanotube technology. The Company will initially hold a 30% interest in the joint venture, reducing to 24% following a capital raising within the incorporated Joint Venture of USD\$10million.

On the 28th of February 2024, Tasman Resources Ltd provided a further advance of \$250,000 to the Company via its wholly owned subsidiary Nobly Energy Pty Ltd for the purposes of ongoing working capital.

Other than advised above, no matters or circumstances have arisen since the end of the half-year which significantly affected or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

Dividends

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

Risk Management

There have been no material changes to the descriptions of the Group's risk management framework as outlined in the annual financial report as at 30 June 2023.

Rounding amount

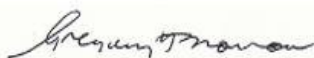
In accordance with ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191, the amounts in the directors' report and in the condensed interim financial report have been rounded to the nearest dollar.

Auditor's Declaration

The lead auditor's independence declaration under section 307C of the *Corporations Act 2001* is set out on page 9 for the half-year ended 31 December 2023.

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

Director



Gregory H Solomon

Dated this 29th day of February 2024

To the Board of Directors Eden Innovations Ltd

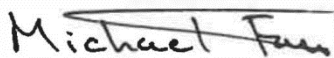
Auditor's Independence Declaration under section 307C of the *Corporations Act 2001*

As lead auditor for the review of the condensed consolidated financial statements of Eden Innovations Ltd for the half-year ended 31 December 2023, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- (a) the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- (b) any applicable code of professional conduct in relation to the review.

NPAS

Nexia Perth Audit Services Pty Ltd



Michael Fay
Director

Perth
29 February 2024

Advisory. Tax. Audit.

ACN 145 447 105

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

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**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE HALF-YEAR ENDED 31 DECEMBER 2023**

	Note	31 Dec 2023	31 Dec 2022
		\$	\$
Revenue		888,371	3,085,842
Other income	2	29,111	4,865
Changes in inventories		36,545	441,675
Raw materials and consumables used		(329,106)	(1,435,919)
Depreciation and amortisation expense		(628,331)	(722,766)
Employee benefits expense		(1,734,865)	(2,588,327)
Finance costs		(712,856)	(837,030)
Legal and consultants		(302,995)	(363,721)
Management fees		(150,000)	(150,000)
Impairment of intangible assets	5	-	(9,348,075)
Other financial items	4	(5,425)	12,362
Other expenses		(905,316)	(936,119)
Travel and accommodation		(66,804)	(158,345)
Loss before income tax		(3,881,670)	(12,995,558)
Income tax (expense)/benefit		-	-
Loss for the half-year		(3,881,670)	(12,995,558)
Other Comprehensive Income / (Loss)			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Exchanges differences on translating foreign operations		(487,953)	(582,584)
Revaluation of the land and buildings	3	5,079,480	-
Income tax relating to other comprehensive income		-	-
Total other comprehensive income / (loss), after tax		4,591,527	(582,584)
Total Comprehensive Income / (Loss) attributable to members of the parent		709,856	(13,578,142)
Basic/Diluted loss per share (cents per share)		(0.001)	(0.005)

The accompanying notes form part of these financial statements.

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2023**

	Note	31 Dec 2023	30 Jun 2023
		\$	\$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents		1,420,502	2,534,969
Trade and other receivables		228,912	275,713
Inventories		2,317,909	2,480,112
Assets held available for sale		1,856,662	1,856,662
Other current assets		1,078,370	923,401
TOTAL CURRENT ASSETS		6,902,355	8,070,857
NON-CURRENT ASSETS			
Property, plant and equipment	3	12,596,682	8,543,107
Intangible assets	5	391,860	390,747
TOTAL NON-CURRENT ASSETS		12,988,542	8,933,854
TOTAL ASSETS		19,890,897	17,004,711
CURRENT LIABILITIES			
Trade and other payables		1,445,293	1,166,511
Interest bearing liabilities	10	10,671,714	10,168,878
Other current liabilities		95,781	99,410
Provisions		173,986	711,100
TOTAL CURRENT LIABILITIES		12,386,774	12,145,899
NON-CURRENT LIABILITIES			
Interest bearing liabilities	10	39,370	40,617
Other liabilities		80,252	89,441
TOTAL NON-CURRENT LIABILITIES		119,622	130,058
TOTAL LIABILITIES		12,506,396	12,275,957
NET ASSETS		7,384,501	4,728,754
EQUITY			
Issued capital	6	126,326,868	124,598,898
Reserves	3	14,870,044	10,060,597
Accumulated losses		(133,812,411)	(129,930,741)
TOTAL EQUITY		7,384,501	4,728,754

The accompanying notes form part of these financial statements.

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF-YEAR ENDED 31 DECEMBER 2023**

	Ordinary Share Capital	Share based payment Reserve	Asset Revaluation Reserve	Foreign Currency Translation Reserve	Accumulated Losses	Total
	\$	\$	\$	\$	\$	\$
Balance at 1 July 2022	121,603,612	8,720,285	-	1,223,208	(112,062,026)	19,485,079
Shares issued during the half-year	1,646,647	-	-	-	-	1,646,647
Share based payments during the half-year	-	20,101	-	-	-	20,101
Loss for the half-year	-	-	-	-	(12,995,558)	(12,995,558)
Other comprehensive loss for the half-year	-	-	-	(582,584)	-	(582,584)
Total Comprehensive income / (loss) for the half-year	1,646,647	20,101	-	(582,584)	(12,995,558)	(11,911,395)
Balance at 31 December 2022	123,250,259	8,740,386	-	640,624	(125,057,584)	7,573,684
Balance at 1 July 2023	124,598,898	8,874,873	-	1,185,724	(129,930,741)	4,728,754
Shares issued during the half-year	1,727,970	-	-	-	-	1,706,667
Share based payments during the half-year	-	217,921	-	-	-	239,224
Loss for the half-year	-	-	-	-	(3,881,670)	(3,881,670)
Other comprehensive income for the half-year	-	-	5,079,480	(487,953)	-	4,591,527
Total Comprehensive income / (loss) for the half-year	-	-	5,079,480	(487,953)	(3,881,670)	709,856
Balance at 31 December 2023	126,326,868	9,092,794	5,079,480	697,770	(133,812,411)	7,384,501

The accompanying notes form part of these financial statements.

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2023**

	31 Dec 2023	31 Dec 2022
	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	1,065,516	3,616,270
Payments to suppliers and employees	(2,873,224)	(6,260,330)
Income taxes paid	(752,994)	-
Interest paid	(679,537)	(491,715)
Interest received	29,111	2,303
Net cash used in operating activities	(3,211,128)	(3,133,472)
CASH FLOWS FROM INVESTING ACTIVITIES		
Payment for development of intangibles	(274,510)	(58,653)
Purchase of property, plant and equipment	(2,464)	-
Net cash used in investing activities	(276,974)	(58,653)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from shares issued	997,579	1,666,747
Proceeds from borrowings	2,540,000	2,677,779
Repayment of borrowings	(973,043)	-
Net cash provided by financing activities	2,564,536	4,344,526
Net (decrease)/increase in cash held	(923,566)	1,152,401
Net decrease due to foreign exchange movements	(190,900)	(59,785)
Cash at beginning of period	2,534,969	1,553,106
Cash at end of period	1,420,502	2,645,722

The accompanying notes form part of these financial statements.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2023

NOTE 1: BASIS OF PREPARATION

The half-year condensed consolidated financial report (the “condensed interim financial report”) is a general-purpose financial report prepared in accordance with the requirements of the *Corporations Act 2001*, Australian Accounting Standard AASB 134 *Interim Financial Reporting* (“AASB 134”), 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 condensed interim financial report be read in conjunction with the annual financial report for the year ended 30 June 2023 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 condensed interim financial report does not include full disclosures of the type normally included in an annual financial report.

Going Concern

The condensed consolidated statement of profit and loss and other comprehensive income shows that the Group incurred a net loss of \$3,881,670 for the half-year ended 31 December 2023 (2022: \$12,995,558). The condensed consolidated statement of financial position shows that the Group had cash and cash equivalents of \$1,420,52 (30 June 2023: \$2,534,969), a net asset position of \$7,384,501 (30 June 2023: \$4,728,754) and a net working capital deficit of \$5,484,419 as at 31 December 2023 (30 June 2023: \$4,075,042). Net cash outflows for operating activities of \$3,211,128 (31 December 2022 : \$3,133,472).

The condensed consolidated financial statements have been prepared on a going concern basis. In arriving at this position, the directors have had regard to the fact that based on the matters noted below the Group, in the directors’ opinion, will have access to, sufficient cash to fund administrative and other committed expenditure for a period of at least 12 months from the date of signing this condensed interim financial report.

In forming this opinion, the directors have taken into consideration the following:

- being able to raise further capital by way of private placement via its commercial or joint venture partnerships, broker placement or further equity raising;
- being able to raise other additional funding, including, but not limited to the sale of the Group’s real estate located in Georgia USA;
- possible further support from Tasman Resources Ltd via its wholly owned subsidiary, Noble Energy Pty Ltd;
- being able to settle or extend the iBorrow facility as and when it becomes due on 8 August 2024 either by renegotiation or refinancing; and
- the ability to generate increased revenue from the sale of the Group’s products.

Should the Group not achieve the matters set out above, there is significant uncertainty whether the Group will continue as a going concern and therefore whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the condensed consolidated financial statements. The condensed interim consolidated financial statements do not include any adjustment relating to the recoverability or classification of recorded asset amounts or to the amounts or classification of liabilities that might be necessary should the Group not be able to continue as a going concern and meet its debts as and when they fall due.

Accounting Policies

Change in Accounting Policy – Adoption of Revaluation Model

The Group re-assessed its accounting for property, plant and equipment with respect to measurement of a certain class of property, plant and equipment after initial recognition. The Group had previously measured all property, plant and equipment using the cost model whereby, after initial recognition of the asset classified as property, plant and equipment, the asset was carried at cost less accumulated depreciation and accumulated impairment losses.

During the half-year, the Group elected to change the method of accounting for its land and buildings classified as property, plant and equipment as the Group believed that the revaluation model as accommodated in AASB116 *Property, Plant and Equipment* provides more relevant information to the users of its financial statements as it provides improved transparency and enhanced decision-making evidence. In addition, available valuation techniques provide reliable estimates of the land and buildings’ fair value. The Group applied the revaluation model prospectively.

After initial recognition, land and buildings are measured at fair value at the date of the revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. For details refer to Note 3.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2023

NOTE 1: BASIS OF PREPARATION

The accounting policies applied by the Group are consistent with those in the 2023 annual financial report with the exception of the adoption of a revaluation model for its land and buildings asset classes. As a result of the adoption of a revaluation model for its land and buildings asset classes the Group has therefore also applied the following fair value measurement policy for the first time for the half-year ended 31 December 2023.

Fair value measurement

Assets and liabilities measured at fair value are classified into three levels, using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. Classifications are reviewed at each reporting date and transfers between levels are determined based on a reassessment of the lowest level of input that is significant to the fair value measurement.

For recurring and non-recurring fair value measurements, external valuers may be used when internal expertise is either not available or when the valuation is deemed to be significant. External valuers are selected based on market knowledge and reputation. Where there is a significant change in fair value of an asset or liability from one period to another, an analysis is undertaken, which includes a verification of the major inputs applied in the latest valuation and a comparison, where applicable, with external sources of data.

Fair value hierarchy

The Group measures its assets and liabilities at fair value using a three-level hierarchy based on the lowest level of input that is significant to the entire fair value measurement, being:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date
- Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly
- Level 3: Unobservable inputs for the asset or liability

Significant Accounting Judgements and Key Estimates

The preparation of the condensed interim financial report requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expense. Actual results may differ from these estimates.

In preparing the condensed interim financial report, the significant judgements and key estimates made by management were the same as those that applied to the annual financial report for the year ended 30 June 2023.

In addition, as a result of the Group's decision to adopt the revaluation model for its land and buildings asset classes, certain significant judgments and key estimates have been made for the first time in the condensed interim financial report. Please refer to note 3 for details.

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 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.

Other amendments and interpretations relevant to the Group in a future period

A number of new and amended Accounting Standards and Interpretations have been issued that have mandatory application dates for future reporting periods, some of which are relevant to the Group. The Group has decided not to early adopt any of these new and amended pronouncements. The Group is currently in the process of assessing the new and amended pronouncements.

Rounding amount

In accordance with ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191, the amounts in the directors' report and in the condensed interim financial report have been rounded to the nearest dollar.

NOTE 2: OTHER INCOME

Interest	29,111	4,865
Total	29,111	4,865

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2023

NOTE 3: PROPERTY, PLANT AND EQUIPMENT

	Land and buildings	Plant and equipment	Total
Cost or revalued amount			
Balance 1 July 2023	5,460,764	8,331,398	13,792,162
Additions	-	2,464	2,464
Revaluation of Land and Buildings ¹	3,623,563	-	3,623,563
Disposals	-	-	-
Net exchange differences	(429,357)	(256,043)	(685,400)
Balance 31 December 2023	8,654,970	8,077,820	16,732,790
Depreciation and impairment			
Balance 1 July 2023	(1,338,606)	(3,910,449)	(5,249,055)
Depreciation	(111,641)	(306,636)	(418,277)
Revaluation of Land and Buildings ¹	1,455,917	-	1,455,917
Disposals	-	-	-
Net exchange differences	(58,929)	134,236	75,307
Balance 31 December 2023	(53,259)	(4,082,849)	(4,136,108)
Carrying amount at 31 December 2023	8,601,711	3,994,971	12,596,682
Cost			
Balance 1 July 2022	7,134,307	7,918,518	15,052,825
Additions	-	102,306	102,306
Reclassified as Assets Held for Sale	(1,952,244)	-	(1,952,244)
Disposals	-	-	-
Net exchange differences	278,701	310,574	589,275
Balance 30 June 2023	5,460,764	8,331,398	13,792,162
Depreciation and impairment			
Balance 1 July 2022	(1,149,715)	(3,138,972)	(4,288,687)
Depreciation	(235,852)	(639,041)	(874,893)
Reclassified as Assets Held for Sale	95,582	-	95,582
Disposals	-	-	-
Net exchange differences	(48,621)	(132,436)	(181,057)
Balance 30 June 2023	(1,338,606)	(3,910,449)	(5,249,055)
Carrying amount at 30 June 2023	4,122,158	4,420,949	8,543,107

Capitalised costs amounting to \$2,464 (2022: \$nil) have been included in cash flows from investing activities in the condensed consolidated statement of cash flows for the Group.

¹In October 2023, an independent professional valuer was engaged to provide updated valuations consistent with the obligations of the Company's financing agreement with iBorrow REIT. The valuation provided of USD\$10,920,000 (AUD\$15,964,912) was considered in context of previous valuations, market volatility and uncertainty, and the delta between valuation and historical cost of the asset category.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2023

NOTE 4: OTHER FINANCIAL ITEMS

Foreign exchange (loss) / gain	(5,425)	12,362
Total	(5,425)	12,362

NOTE 5: INTANGIBLE ASSETS

	31 Dec 2023	30 June 2023
	\$	\$
Intellectual property	23,281,124	23,068,198
Accumulated amortisation	(3,280,657)	(3,068,844)
Accumulated impairment expenses	(19,608,607)	(19,608,607)
Net carrying value	391,860	390,747
Balance at the beginning of the period	390,747	9,987,272
Additions	212,926	838,621
Amortisation expense	(211,813)	(255,059)
Impairment expense	-	(10,180,087)
Carrying amount at the end of the period	391,860	390,747

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

During the prior reporting period, the Group provided for an impairment of its intangible assets of \$9,348,075 following relevant impairment testing of its EdenCrete® cash-generating unit.

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.

During the half-year, the Group performed relevant impairment testing of its EdenCrete® cash-generating unit, to consider any reversal of the impairment charge from the prior 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 2.1%.
- 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 growth as an average from the five-year prior period.

The Group assessed that the recoverable value of its CGU had not improved during the half-year to 31 December 2023, and as such no reversal of the impairment charge was undertaken.

The Group's remaining intangible assets remain under development as at 31 December 2023.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2023

NOTE 6: ISSUED CAPITAL

a. Ordinary shares	31 Dec 2023	30 June 2023	31 Dec 2023	30 June 2023
	No.	No.	\$	\$
At the beginning of reporting period	2,996,944,406	2,485,452,995	124,598,898	121,603,612
Shares issued during the period, net of costs	670,069,040	511,491,411	1,727,970	2,995,286
At reporting date	3,667,013,446	2,996,944,406	126,326,868	124,598,898

- 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 Company 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 2023	30 June 2023	31 Dec 2023	30 June 2023
	No.	No.	\$	\$
At the beginning of reporting period	432,345,871	246,535,140	8,874,873	8,715,546
Options issued	390,000,000	236,375,000	168,000	20,100
Options exercised	(25,774)	(20,525)	-	-
Options lapsed	(6,850,762)	(50,543,744)	-	-
Share-based payments relating to options issued in prior periods	-	-	49,921	139,227
At reporting date	815,469,335	432,345,871	9,092,794	8,874,873

The inputs used to the valuation of options granted as share-based compensation during the reporting period were as follows:

	Broker Options
Dividend Yield	Nil
Expected Volatility	141.18%
Risk-free interest rate	4.1%
Expected life of option	3.0
Exercise price	\$0.009
Grant date	31/08/2023
Grant date share price	\$0.004
Amount recognised in condensed consolidated statement of profit and loss and other comprehensive income	-
Amount recognised in Equity	\$168,000

NOTE 7: CONTINGENT LIABILITIES AND CONTINGENT ASSETS

Dr Larsen's costs for the half-year includes an allocation of expenditure for a share-based payment of \$31,654 as a contingent liability, being the third tranche of 1,666,667 shares as part of his remuneration package as agreed on 2 June 2022 (prior to his appointment as a director). The shares require shareholder ratification and approval for the purpose of Listing Rule 7.4 before they can be issued. Should shareholders not approve the share issue, the obligation for compensation of the value of the shares that were agreed to be issued will be required to be settled in cash.

The Directors are not aware of any contingent assets or other contingent liabilities as at 31 December 2023.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2023

NOTE 8: EVENTS SUBSEQUENT TO REPORTING DATE

On the 16th of January 2024, the Company issued 11,257,669 shares to employees and consultants as part of their remuneration package. The shares were issued free of charge under voluntary escrow until 31 December 2024. Expenses associated with the share issue were provided for within the condensed consolidated financial statements for the half-year ending 31 December 2023.

On the 12th of February 2024, Tasman Resources Ltd announced it had further advanced \$450,000 to Eden via its wholly owned subsidiary Noble Energy Pty Ltd for the purposes of ongoing working capital. (Refer Note 10 to the condensed consolidated financial statements)

On the 21st of February 2024, the Company entered into a conditional Joint Venture agreement with Venture Aerospace LLC to develop, market, and potentially manufacture, solid-state batteries using its carbon nanotube technology. The Company will initially hold a 30% interest in the joint venture, reducing to 24% following a capital raising within the incorporated Joint Venture of USD\$10million.

On the 28th of February 2024, Tasman Resources Ltd provided a further advance of \$250,000 to the Company via its wholly owned subsidiary Nobly Energy Pty Ltd for the purposes of ongoing working capital.

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.

NOTE 9: 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 2023	31 Dec 2022
	\$	\$
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.	23,020	12,167
Consulting fees paid to Dr A G Larsen ¹ in respect of his role as Chief Scientist and Manager of International Business	202,141	180,420

¹ - Dr Larsen was appointed as a director of the Company on 6 February 2023, although he has been a consultant of the Company since 2016. Dr Larsen's contract is denominated in USD. Dr Larsen's costs for the half-year includes an allocation of expenditure for a share-based payment of \$31,654 being the third tranche of 1,666,667 shares as part of his remuneration package as agreed on 2 June 2022 (prior to his appointment as a director). The shares require shareholder ratification and approval for the purpose of Listing Rule 7.4 before they can be issued. Should shareholders not approve the share issue, the obligation for compensation of the value of the shares that were agreed to be issued will be required to be settled in cash.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2023

NOTE 10: INTEREST BEARING LIABILITIES

	31 Dec 2023	30 Jun 2023
	\$	\$
Noble Energy Pty Ltd (Unsecured, 9.97% interest rate, denominated in AUD, at call)	2,267,668	490,000
iBorrow REIT, LP Loan (Secured over all 3 properties, 9.75% interest rate, denominated in USD, renewed to 7 August 2024 during the period)	8,404,047	9,678,878
Total current portion	10,671,714	10,168,878
SBA Loan (Unsecured, 1% interest rate, denominated in USD, due 2025)	39,370	40,617
Total non-current portion	39,370	40,617
Total	10,711,084	10,209,495
Opening Balance	10,209,495	4,911,084
Proceeds from borrowing, net of borrowing costs	2,540,000	9,220,905
Repayment of borrowings	(973,043)	(5,070,650)
Borrowing costs expensed	79,116	739,915
Accrued Interest payable at the end of the period	117,668	-
Share-based repayment of borrowings	(880,000)	-
FX (gain) / loss	(382,151)	408,241
Closing balance	10,711,084	10,209,495

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2023

NOTE 11: 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.

Segment Performance	Eden Innovations LLC \$	Eden Energy India Pvt Ltd \$	Eliminations \$	Group \$
31 December 2023				
External sales	808,132	80,239	-	888,371
Internal sales	61,585	-	(61,585)	-
Total segment revenue	<u>869,717</u>	<u>80,239</u>	<u>(61,585)</u>	<u>888,371</u>
Segment Result	(2,610,145)	(89,879)	-	(2,700,025)
Unallocated expenses				<u>(468,790)</u>
Result from operating activities				(3,168,815)
Finance costs				<u>(712,856)</u>
Loss before income tax				(3,881,670)
Income tax benefit				<u>-</u>
Loss after income tax				<u><u>(3,881,670)</u></u>
Depreciation and amortisation	517,786	1,056	109,489	628,331
31 December 2022				
External sales	864,949	2,220,894	-	3,085,842
Internal sales	209,459	-	(209,459)	-
Total segment revenue	<u>1,074,408</u>	<u>2,220,894</u>	<u>(209,459)</u>	<u>3,085,842</u>
Segment Result	(3,392,170)	1,476,854	-	(1,915,316)
Unallocated expenses				<u>(10,243,213)</u>
Result from operating activities				(12,158,529)
Finance costs				<u>(837,030)</u>
Loss before income tax				(12,995,558)
Income tax benefit				<u>-</u>
Loss after income tax				<u><u>(12,995,558)</u></u>
Depreciation and amortisation	406,518	166	316,082	722,766

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2023

NOTE 11: SEGMENT INFORMATION (CONTINUED)

Segment Financial Position	Eden Innovations LLC \$	Eden Energy India Pvt Ltd \$	Eliminations \$	Group \$
31 December 2023				
Segment assets ¹	17,726,574	1,468,473		19,195,047
Unallocated assets				695,850
Total assets				19,890,897
Segment liabilities	9,176,324	58,280	-	9,234,603
Unallocated liabilities				3,271,793
Total liabilities				12,506,396
Capital expenditure	-	2,464	-	2,464
30 June 2023				
Segment assets	13,684,484	2,554,230	-	16,238,714
Unallocated assets				765,996
Total assets				17,004,710
Segment liabilities	10,370,597	693,352	69,501	11,133,450
Unallocated liabilities				1,142,507
Total liabilities				12,275,957
Capital expenditure	13,345	1,381	666,338	681,064

- During the half-year, the Group introduced a revaluation model for its land and buildings classes of assets which resulted in a revaluation of Segment Assets for Eden Innovations LLC of \$5,079,480 for the half-year ended 31 December 2023.

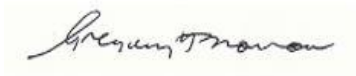
DIRECTORS' DECLARATION

The directors of the Company declare that:

1. The condensed consolidated financial statements and notes, as set out on pages 10 to 22:
 - a. comply with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
 - b. give a true and fair view of the Group's financial position as at 31 December 2023 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 29th day of February 2024

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Eden Innovations Ltd

Report on the Condensed Interim Financial Report for the Half-Year Ended 31 December 2023

Conclusion

We have reviewed the accompanying condensed interim financial report of Eden Innovations Ltd (the "Company") and its controlled entities (the "Group"), which comprises the condensed consolidated statement of financial position as at 31 December 2023, the condensed consolidated statement of profit and loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the half-year ended on that date, notes comprising material accounting policy information 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 condensed interim financial report of the Group does not comply with the *Corporations Act 2001*; including:

- i) giving a true and fair view of the Group's financial position as at 31 December 2023 and of its performance for the half-year ended on that date; and
- iii) 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* ("ASRE 2410"). Our responsibilities are further described in the Auditor's Responsibility for the Review of the Condensed Interim 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.

Material uncertainty related to going concern

We draw attention to Note 1 in the condensed interim financial report, which indicates that the Group incurred a net loss of \$3,881,670 and cash outflows from operating activities of \$3,211,128 during the half-year ended 31 December 2023 and that the Group had a net working capital deficit of \$5,484,419 at 31 December 2023. As stated in Note 1, these 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.

Directors Responsibility for the Condensed Interim Financial Report

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

Advisory. Tax. Audit

ACN 145 447 105

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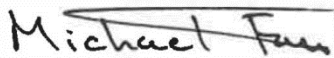
Auditor's Responsibility for the Review of the Condensed Interim Financial Report

Our responsibility is to express a conclusion on the condensed interim 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 condensed interim 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 2023 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 condensed interim financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

NPAS

Nexia Perth Audit Services Pty Ltd

A handwritten signature in black ink that reads "Michael Fay". The signature is written in a cursive style with a horizontal line above the name.

Michael Fay
Director

Perth
29 February 2024