



*eden*

Innovations that work.™

**Annual Report**  
for the Year Ended 30 June 2024

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## HIGHLIGHTS

### FIRST EDENCRETE® PZ7 SALES

- First sales of EdenCrete® Pz7 to three Holcim plants (one in USA and two in Ecuador) for a total of US\$100,637 (A\$152,125), recognised and dispatched in early July 2024.
- Ecuador – Two initial orders of EdenCrete® Pz7 to supply a total of US\$79,600 (approx. AUD\$120,400), for use in two of Holcim’s eighteen plants in Ecuador.
- USA – Initial sale of EdenCrete® Pz7 to supply US\$21,037 (approx. AUD\$31,725) to a Holcim plant in Denver, Colorado.
- All three plants will utilise bulk storage and dispensing systems, which will facilitate easy integration into the standard concrete batching process for both new and standard concrete mixes, frequently incorporating higher percentages of low cost, low CO<sub>2</sub> footprint, pozzolanic cementitious materials.
- These orders follow 2 years of extensive trials by Holcim in 6 countries spread over 3 continents - North America (USA, Canada and Mexico), Europe (France and United Kingdom) and South America (Ecuador) of the EdenCrete® Pz product range.
- Holcim’s trials with EdenCrete® Pz7 are planned to continue at other plants in these 6 countries as well as in additional countries, and may include trials for new applications.

### GEORGIA - GDOT PROJECTS

- During the year, nine Georgia Department of Transportation (GDOT) highway projects requiring 9,955 gallons of EdenCrete® were dispatched, with the total revenue gained from these GDOT projects being US\$297,301 (\$453,637).

### OPTIBLEND® MARKET IMPROVEMENT

- Anticipated sales revenue over next 4 -6 months based on current tenders/ quotations:
  - USA ~ A\$600,000
  - India ~ A\$300,000
- Increasing interest from oil and gas drilling/fracking companies, with a successful 3-day trial of an OptiBlend® system on a fracking truck with a company in Oklahoma having been completed in the second week of July 2024, achieving a 50% displacement of diesel fuel with lower-cost natural gas over the trial period.
- This successful trial resulted in another order from the same customer for a second trial dual fuel conversion on a different make of engine that is scheduled to be installed and trialled in the first week of August 2024.
- Should this second trial achieve a similar outcome, Eden has been told that there is a good chance that Eden will receive orders for up to 60 further OptiBlend® system sales from the same customer that would be required over the next 8 months.
- The approximate sale prices for the OptiBlend® systems required for the large engines used on fracking trucks range between US\$47,000 (A\$71,300) and US\$61,000 (A\$92,500), depending on the engine size and configuration.
- Market drivers for the OptiBlend® systems are :
  - Demand from the shale oil /gas drilling and fracking market to use natural gas to:
    - extend prime power generation capacity;
    - reduce fuel costs; and
    - reduce carbon footprint.
  - Demand from large companies, government undertakings, hospitals, gaols, military bases, property owners, data centres, shopping malls etc to:
    - extend back-up power generation capacity due to increasing and extended power outages resulting from extreme weather events;
    - reduce fuel costs; and
    - reduce carbon footprint.

## CARBON NANOTUBES

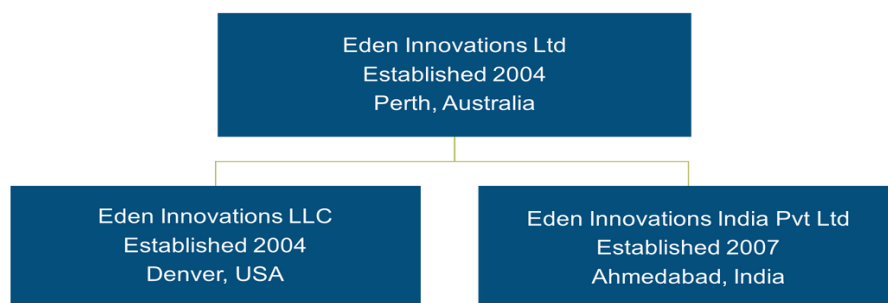
### CONDITIONAL SOLID-STATE BATTERY JOINT VENTURE

- Following a request from Venture Aerospace, during the year Eden Innovations Limited (“Eden” or the “Company”) (ASX:EDE) entered into a conditional Joint Venture with Colorado-based Venture Aerospace LLC to develop, market, and potentially manufacture, solid-state batteries incorporating Eden’s carbon nanotubes that are planned to offer:
  - ultra-high performance;
  - higher energy density;
  - lower resistance;
  - low cost, using widely available, recyclable materials;
  - lower heat during operation and a reduced fire risk; and
  - suitability for use in a wide range of applications.
- A new joint venture company will be incorporated in which Eden will initially hold a 30% interest (300,000 units) and Venture Aerospace a 70% interest (700,000 units).
- The design of the batteries will be based upon intellectual property already developed by Venture Aerospace and trialled in prototypes, including new designs, materials, and other substances.
- All relevant intellectual property including but not limited to a provisional patent, all designs, specifications, formulae, new materials, prototypes, trial results and all other physical material, data and intellectual property relevant to the solid-state battery project whatsoever shall be transferred free of charge and from encumbrances to the Joint Venture Company and become Joint Venture Property.
- Under the terms of the Joint Venture Eden will:
  - Provide technical advice and support Venture Aerospace in running the Joint Venture project and
  - Pursuant to a long-term contract, sell on commercial terms to the Joint Venture Company, all the carbon nanotubes, that will be produced by Eden, and which are required for use in the batteries.
- Venture Aerospace will raise working capital for the joint venture, after which if US\$10million is raised, the investors will hold a 20% interest (200,000 units), Eden a 24% interest (240,000 units), and Venture Aerospace a 56% interest (560,000 units).
- The Joint Venture agreement, which commenced on the 20 February 2024, is conditional upon:
  - The Joint Venture Company being incorporated, and
  - Venture Aerospace being able to introduce investors within such time as Eden and Venture Aerospace mutually agree, to invest up to US\$10million for working capital or such lesser amount that in the opinion of the Eden and Venture Aerospace is sufficient for enable the Joint Venture to proceed.
  - As of the date of this report, Venture Aerospace continues to seek investment for the Joint Venture, consequently, no accounting for the Joint Venture is included within the 2024 Financial Statements.

### PYROLYSIS TECHNOLOGY

- Following interest from a large multi-national company in Eden’s patented, core pyrolysis technology to produce hydrogen and carbon nanotubes from natural gas without producing CO<sub>2</sub> 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.
- In the June’24 quarter, samples of the new CNT’s were delivered to the potential client for further testing.

## CORPORATE DIRECTORY



### DIRECTORS:

**Gregory H Solomon** LLB (Executive Chairman & Interim CEO)

**Douglas H Solomon** BJuris LLB (Hons) (Non-Executive)

**Allen Godsk Larsen** M.Sc., Ph.D. (Non-Executive)

### COMPANY SECRETARY:

**Jamie Scoringe** BCom GradDip FCPA

### REGISTERED OFFICE:

Level 15

197 St Georges Terrace

Perth

Western Australia 6000

Tel +61 8 9282 5889

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

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

### SOLICITORS:

**Solomon Brothers**

Level 15

197 St Georges Terrace

Perth WA 6000

### AUDITORS:

**Nexia Perth Audit Services Pty Ltd**

Level 3

88 William Street

Perth WA 6000

### SHARE REGISTRY:

**Automic**

Level 5, 126 Phillip Street

Sydney NSW 2000

Ph 1300 288 664 or +61 2 9698 5414

e-mail: [hello@automicgroup.com.au](mailto:hello@automicgroup.com.au)

website: [www.automicgroup.com.au](http://www.automicgroup.com.au)

### STOCK EXCHANGE LISTING:

**ASX Code: EDE** (ordinary shares)

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



## REVIEW OF OPERATIONS

### EdenCrete®

#### LOW CO<sub>2</sub> CONCRETE - GLOBAL INTEREST CONTINUES TO GROW

Interest in low CO<sub>2</sub> concrete continues to grow and Eden has been receiving an increasing number of enquiries in relation to its ability to facilitate the production of low CO<sub>2</sub> concrete with the aid of EdenCrete® Pz products. These admixtures enable a significant percentage of the Portland Cement in concrete mixes to be replaced with a corresponding percentage of low-cost fly ash or blast furnace slag, both waste by-products from coal fired power production and smelting of steel or other metals respectively, that each have effectively a zero CO<sub>2</sub> footprint.

#### Holcim Initial Sales and Ongoing Trials

Over the past two years in particular, Eden has made gradual but significant progress towards opening global markets for its two most recent versions of EdenCrete®, EdenCrete® Pz and EdenCrete® Pz7 which are chemically different, high concentration, lower dosage alternatives to the original EdenCrete®.

The Pz and Pz7 products are suitable for use in both standard and new concrete mixes, including mixes that use higher percentages of low cost, low carbon-footprint pozzolanic cementitious materials, including fly ash and/or blast furnace slag, waste by-products from coal fired power production and metal smelting, each with no additional greenhouse gas footprint.

#### First EdenCrete® Pz7 Sales to Holcim follow extensive trials on three continents

The initial progress when the new EdenCrete® Pz and Pz7 products were first marketed, which commenced in early 2020, was made in India, where trials were held with a number of companies, and subsequent sales were achieved. More recently Indonesia trials have been held and discussions are ongoing.

Holcim, a Swiss-based global cement, concrete and building materials company, commenced trialling the EdenCrete® Pz range of products in 2022 in three of its four major market sectors. These trials commenced in Europe (France) and extended to the United Kingdom, North America (USA, western Canada and eastern Canada, and Mexico), and South America (Ecuador). Trials in all these countries are continuing and new trials in several other countries are also being considered.

Holcim operates in over 80 countries producing an annual global revenue (in 2023) of 27 billion Swiss Francs (approximately AUD\$ 44 billion), with:

- the North American market representing 39% or approx. AUD\$17 billion,
- 34% from the European market,
- 11% from the South American market, and
- 16% from the Asian, Middle Eastern and African markets.

Holcim is heavily focused on de-carbonising its cement, concrete products and other building materials that it markets.

Following repeated positive results from these trials, separate initial orders were received and dispatched, from three Holcim plants, one in the USA and two in Ecuador, to supply in aggregate US\$100,637 (approximately AUD\$152,125) worth of EdenCrete® Pz7. All three plants will utilise bulk storage and dispensing systems for the EdenCrete® Pz7, allowing seamless use of the product in the daily production of new and standard mixes.

#### United Kingdom, Canada and Mexico -Ongoing Trials

Trials at Holcim plants in the UK, Mexico, western Canada, and eastern Canada are continuing. Eden is hopeful that the results from their trials will confirm the positive initial trials that have been completed at these plants, and that they will result in opening these significant markets for EdenCrete® Pz7.

#### EDENCRETE® SALES – FY24

	SALES FY 24 (A\$000s)	SALES FY 23 (A\$000s)	% Change
USA	1,061	1,199	-12%
INDIA	-	80	-100%
TOTAL	1,061	1,279	-18%

Some of the highlights in FY 2024 of the EdenCrete® product range and its continued growth are as follows:

#### NEW USA CONCRETE MARKET SECTORS EMERGING

- Several new market sectors for EdenCrete® products in the US are emerging. These new market sectors include new ready-mix applications, structural concrete insulated panel (SCIP) construction, and shotcrete, all which have significant growth potential.

- The new sectors which could all deliver numerous repeat customers include:
  - Cellular foam concrete;
  - SCIP;
  - 3D concrete printing; and
  - Spray cast pipeline restoration.

## INDIA

A major Indian ready-mix company that operates across India, continued trials of EdenCrete®Pz and Pz7 on a number of its ready-mix concrete mixes. Encouraging results have been obtained from several of these trials.

## INDONESIA

Eden provided an initial quotation to supply a national Indonesian ready-mix producer with EdenCrete® PZ and Pz7, following the successful completion of trials of these products. Eden is awaiting its maiden order from Indonesia for one or more EdenCrete® products which is anticipated to be received in the near future.

## ISRAEL

Eden provided samples to a potential new customer, and based on early success, further trials are expected to be commenced in the new financial year.

## AUSTRALIA AND NEW ZEALAND

Parchem Construction Supplies (Parchem), the Australian and New Zealand distributor of EdenCrete® products reports a growing interest in both the Australian and New Zealand markets with trials in both countries.

Projects included:

- Port of Brisbane – EdenCrete project won the QLD Concrete Institute of Australia's (CIA) 2023 Awards for Excellence in Concrete, in the category of 'Technology & Innovation'.
- Engineer specification was prepared for use of EdenCrete® in 40Mpa Pool Spray concrete mixes for luxury pool placements in Melbourne, Victoria.
- Palm Cove QLD - 400L of EdenCrete, for durability & reduced permeability.
- A project specification was released for a mining road/bridge in central Queensland for 1400m<sup>2</sup> remedial topping slab with potential use of EdenCrete® for durability and abrasion resistance in the FY25 year.
- During the June'24 quarter, Parchem purchased 4,000 litres of EdenCrete® from Eden USA for further sale.
- Samples of EdenCrete® Pz and Pz7 were also imported for trials with SCMs for potential reduced carbon opportunities.

Technical presentations and advancements:

- A follow-up meeting with SmartCrete CRC Curtin University, Perth, was conducted regarding – 'Novel Protocols for Concrete Corrosion to enhance new and existing structures. The deployment of casted 30 concrete samples was planned for the June'24 quarter into the field at a prominent Port, in a tidal environment, for ongoing durability testing vs the control mix.
- Engineer reach extended to Townsville - EdenCrete exhibit and Technical Presentation conducted at the Annual Concrete Engineering & Technology Forum, held by QLD Concrete Institute of Australia's (CIA), with 80 in attendance. Those in attendance were from local Ports & Roading authorities, engineering and construction companies including concrete suppliers. This has created the opportunity for a precast trial in FY2025.
- Concrete NZ industry conference - a 5-minute lightening presentation presented at Concrete NZ 2023, leading to a NZ RMC supplier now trialling EdenCrete with various cement types for a lower carbon footprint concrete mix.
- Technical paper on 'Using Carbon Nanotube enriched liquid additive technology to improve concrete durability and design life, contributing as a sustainable solution' presented at Concrete 2023 in Perth.
- EdenCrete Exhibit and Technical Presentation conducted at the Australian Society of Concrete Pavements (ASCP) in NSW in 2023, creating an opportunity to trial EdenCrete in a roading project.
- EdenCrete Exhibit and Technical Presentation conducted at the Water Industry of Australia (WIOA) conferences in 2023, in QLD and the ACT, creating the opportunity to trial EdenCrete in shotcrete applications with Hunter Water.
- Technical paper on 'Using Carbon Nanotube enriched liquid additive technology to improve concrete durability and design life, contributing as a sustainable solution', has been accepted for presentation at fib Concrete NZ 2024 and the Australian Corrosion Association Conference Cairns, 2024 to be held later in the calendar year.
- The distributor also presented its EdenCrete® technical presentation through lunch and learn sessions to approx. 8 large Companies, covering approx. 100 consulting Engineers.
- EdenCrete® was exhibited at the Water Industry of Australia (WIOA) conferences in Bendigo, Victoria, and the Sunshine Coast Queensland.

**OptiBlend®****OPTIBLEND® SALES FOR THE YEAR**

	SALES FY 24 (A\$000s)	SALES FY 23 (A\$000s)	% Change
USA	533	734	-27%
INDIA	423	2,688	-84%
<b>TOTAL</b>	<b>956</b>	<b>3,422</b>	<b>-72%</b>

**OPTIBLEND® MARKET IMPROVEMENT**

- Anticipated sales revenue for next 4 -6 months based on current tenders/ quotations is:
  - USA ~ A\$600,000
  - India ~ A\$300,000
- Increasing interest from oil and gas drilling/fracking companies.
- A successful trial of an OptiBlend® system on a fracking truck with a company in Oklahoma was completed in the second week of July 2024, achieving a 50% displacement of diesel fuel with lower-cost natural gas over several days.
- The Oklahoma trial was undertaken on a Cummins engine, and resulted in a second order being received from the same customer for a further OptiBlend® trial that is to be installed on a Caterpillar engine, and which is scheduled to occur within the next week.
- If the second trial achieves a similar result, the customer has indicated an intention to order a further 60 OptiBlend® system in three tranches spread over the next 9 months.
- The sale prices for the OptiBlend® systems required for the large engines used on fracking trucks range between US\$47,000 (A\$71,300) and US\$61,000 (A\$92,500), depending on the engine size and configuration.
- Market drivers for the OptiBlend® systems are :
  - Demand from the shale oil and shale gas drilling and fracking market to use natural gas to:
    - extend prime power generation capacity;
    - reduce fuel costs; and
    - reduce carbon footprint.
  - Demand from large companies, government undertakings, hospitals, gaols, military bases, property owners, data centres, shopping malls etc to:
    - extend back-up power generation capacity due to increasing and extended power outages resulting from extreme weather events;
    - reduce fuel costs; and
    - reduce carbon footprint.

**OIL AND GAS INDUSTRY****Renewed interest- drilling & hydraulic fracking for shale oil & gas**

OptiBlend® systems enable the on-site use of natural gas to replace approximately 60% of the diesel fuel that would otherwise have been required.

The main locations (and drivers) in North America for the present increased interest in the oil and gas industries are:

- **North-West, Midwest, and Southern USA, Alaska, and Canada – conventional oil fields -**
  - extending both prime power and back-up power generation capacity;
  - reducing fuel costs; and
  - reducing carbon footprint.
- **In the Midwest (Texas and Oklahoma) – shale gas and shale oil drilling and fracking –**
  - extending prime power generation capacity;
  - reducing fuel costs; and
  - reducing carbon footprint.

In calendar year 2023, US shale oil and shale gas production reached record levels, but prices remained relatively low. As a result, there is need reduce production costs. The demand for US oil and gas remains high, in part due to the recent reduction in the strategic oil reserves.



OptiBlend® systems enable diesel-powered generators that power the drilling rigs and hydraulic fracking equipment, to run on up to 60% natural gas, sometimes drawing it straight out of the ground, or from on-site natural gas storage, thereby significantly reducing the overall costs of the drilling and fracking.

During the initial oil and shale gas boom in 2012, a drilling contractor advised that they recovered, in less than two months, the total cost of the buying and installing an OptiBlend® system in fuel cost savings through using natural gas drawn directly from an earlier well.

Examples of this increasing interest in the last few weeks of June 2024 came from two drilling/ fracking companies, one in Oklahoma and the other in Texas. Each is considering acquiring OptiBlend® systems for their respective fleets of drilling rigs during the FY2025 period (collectively approximately 30 rigs, which could potentially generate OptiBlend® revenue of up to US\$1.5m).

### **Back-up power generation**

In both USA and India another driver of the increasing interest in OptiBlend® is the need to increase back-up power generating capacity, arising out of power outages, often resulting from an increasing number of extreme and often extended weather events in both India and the US.

In the US, other extreme weather events, such as tornados and extreme winter weather also interrupt power supplies to communities, sometimes for days often affecting wide areas. One such outage several years ago, that lasted approximately four days and affected many people in Texas, came from a freezing ice storm a few years ago.

In summer, in both countries, with hotter summer temperatures over longer periods, the power grids are increasingly under stress, partly due to an ever-increased demand for air conditioning.

In both the USA and India, the market drivers are the same:

- extending back-up power generation capacity;
- reducing fuel costs; and
- reducing carbon footprint.

Examples of projects for which current quotations or tenders to supply OptiBlend Systems have been provided include firstly for a military base in Florida, USA and secondly for NHPC Limited, an Indian public sector hydropower company.

## **CORPORATE**

### **USA PROPERTY SALES AND OUTLOOK**

#### **Augusta, Georgia**

In September 2024, the Group accepted a conditional offer from a buyer for its Augusta, Georgia property at a price before agents and settlement costs of USD\$5,000,000 approximately (AUD\$7,494,000). To the date of this report, whilst the contract remains conditional, the directors have reviewed reports from its US staff that the purchaser has:

- Satisfactorily completed a full environmental survey for surface contamination;
- paid the deposit;
- engaged lawyers whom have reviewed title to the property and commenced the formal process of confirming the suitability of the property;
- completed two iterations of the total project development and are working on a third draft;
- indicated that the ultimate end user requires occupation of the completed development by the end of calendar 2025 and they anticipate that completion of the sale will occur before the end of December 2024 or in January 2025.

As part of the extension agreement with iBorrow, 92% of the Proceeds from the sale of the Augusta, Georgia property will be used to reduce the group's iBorrow financing facility, with any excess proceeds used for working capital.

#### **Littleton, Colorado**

The Group has also proceeded to place its Mead Way Littleton Colorado ("Mead Way") property for sale. To the date of this report, there has been reasonable interest from prospective purchasers and the agent remains confident that an offer for the property is anticipated to be received in the next one to two months, with an expected settlement anticipated for January 2025.

#### **USA Property Sales - Outlook**

Following the sale of the Augusta, Georgia property and anticipated sale of the Mead Way property, it will greatly assist Eden to drive both its sales growth and re-emergence as a world class, clean technology innovator with a range of unique and well proven products which would :

- Leave Eden US with its full production and operating capability at its remaining property at Littleton, Colorado from where it will manufacture, store and market all its carbon nanotubes, EdenCrete® range of admixtures and OptiBlend® dual fuel systems, as well as accommodate its sales, production and administrative staff;
- Provide funds to, repay in full (or at least significantly reduce, if only one property is sold) its secured loan of US\$5.8 million dollars from iBorrow;

- Reduce Eden's US annual operating costs by up to approx. US\$864,000 (approx. A\$1.3 million) per year and leave its remaining property unencumbered;
- Any excess proceeds from the sale of these two properties after repaying in full the Secured loan owed to iBorrow, would be used to:
  - Repay a modest portion of Eden's unsecured debts and/or
  - Provide some additional working capital.

#### **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.

#### **EDEN INDIA DIVIDEND PAID TO PARENT**

During the year, Eden India paid to Eden Australia a further dividend of AUD\$174,225 (10million Indian Rupees) from retained earnings accrued over previous years. The dividend is in addition to the previous year's dividends of AUD\$541,640.

#### **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 at an issue price of 0.3 cents (\$0.003) per share, together with 183,333,333 EDEOD options, being one (1) free attaching option for every two (2) shares placed, 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.

In June 2024, the Company commenced a Pro-Rata Non-Renounceable Rights Issue("Rights Issue") to shareholders at an issue price of 0.2 cents (\$0.002) per share with one free attaching EDEOD option per two shares issued. The Rights Issue closed on the 2<sup>nd</sup> August 2024 with \$789,002 being raised through the issue of 394,500,718 Ordinary shares and 197,250,419 EDEOD options being issued. The Directors reserve the right to place the balance of the remaining 1,444,634,840 shortfall shares with free attaching options up to the 2<sup>nd</sup> of November 2024 at a price which is not less than the price at which the Shares were offered under the Rights Issue.

#### **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 remainder of the 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 30<sup>th</sup> 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 voted by shareholders at its Annual General Meeting, anticipated to be November 2024.

The balance of the Noble Loan at the end of the year was \$4,065,958 including accrued interest.

Subsequent to the end of the year, Noble subscribed for its maximum entitlement under the Rights Issue as limited by the takeover provisions of the Corporations Law, converting \$506,246 of the outstanding loan balance as part satisfaction of the Noble Loan to 253,122,775 Ordinary Shares and 126,561,388 EDEOD options in Eden.

**EXTENSION OF FINANCING FACILITY**

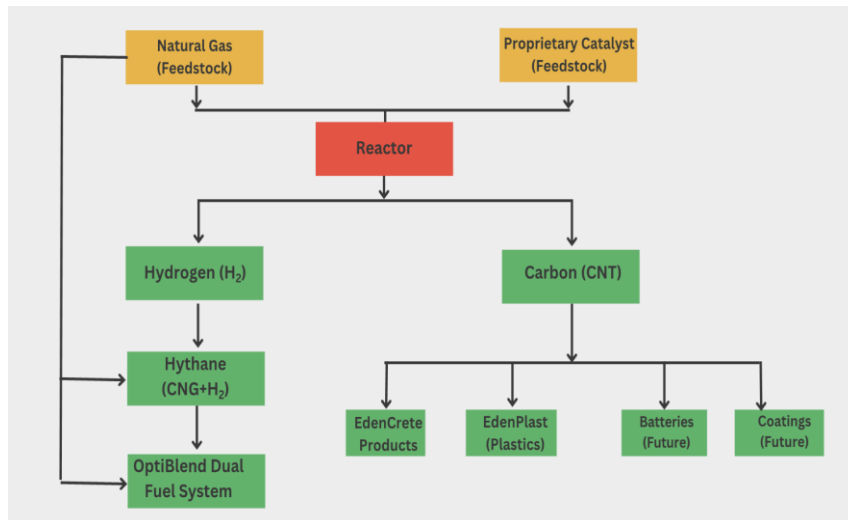
In August 2023, Eden (via Eden USA) exercised its option to extend its secured debt financing agreement with iBorrow REIT, LP for a further 12-month period. Consistent with the terms of the renewal, the principal amount was reduced by US\$675,000 (A\$1,018,100) with the remaining principal of US\$5,800,000 (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 contained an 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.

In August 2024, Eden further extended the iBorrow financing agreement to 7 February 2025. The terms of the extension were consistent with the previous agreement, with the following material changes:

- A renewal fee is US\$116,000 (2%), payable in equal instalments over a three-month period, the first instalment having already been paid.
- A reduction of the Current Loan by a payment of US\$150,000 (reducing the principal sum owing under the facility to US\$5.65 million) is payable on November 1, 2024.
- The interest rate has been changed to a variable third-party reference rate + 600-point spread (currently 11.32%), with a floor of 11.00% per annum.
- In relation to the proposed sale of two of Eden's three properties in Augusta, Georgia (Augusta) and Littleton Colorado (Mead), Eden US has the right to discharge each from the mortgage in the event of either or both of these properties being sold, subject to:
  - the Lender being paid out of the nett proceeds of each respective sales (up to the balance of the Principal Sum owing at that time), the following:
    - The greater of 92% of the net sale proceeds of the property or
      - \$3,500,000 (in the case of Augusta) or
      - \$2,000,000 (in the case of Mead).

## OUR INNOVATIONS

In addition to its proprietary, core methane pyrolysis process that cracks methane (in the form of Natural Gas) into carbon nanotubes (CNT) and hydrogen (the ratio (by mass) of CNT to hydrogen being 3:1), Eden has developed a range of downstream commercial products, comprising the EdenCrete® range of concrete admixtures, the OptiBlend™ dual fuel system and its Hythane technology for blending hydrogen and Natural Gas.



Eden's Product Flowchart

Eden plans to continue to develop global markets for each of its existing commercial products as well as for a range of other products (including EdenPlast®, and for use in batteries and coatings) that use CNT.

If sufficient CNT can be used in these downstream applications, it could lead to commercial scale turquoise hydrogen production (hydrogen produced from a feedstock of Natural Gas using renewable energy or electricity from nuclear power to heat the reactor) using Eden's efficient, low cost, proprietary methane pyrolysis process.

### Eden's Core Technology - the Proprietary Pyrolysis Project

Eden's 100% owned core technology has been commercialised in Colorado, USA since 2011 at its Eden US facility, whereby methane (CH<sub>4</sub>) is broken down into its constituents of gaseous hydrogen (H<sub>2</sub>) and solid carbon (C), without the production of carbon dioxide. The solid carbon is produced as carbon nanotubes that each are many times stronger, in certain applications, than steel, whilst each also has a great capacity to conduct both electricity and heat. Carbon nano-fibres, an alternative form of solid carbon) can also be produced by Eden's process if required.

### Eden's Pyrolysis Process – Production of Carbon Nanotubes and Hydrogen

From available public information and advice from a number of global companies that operate in these market sectors and which have reviewed Eden's process, Eden's pyrolysis process is relatively efficient when compared with other methods of production of carbon nanotubes (CNT) (or carbon nano-fibres (CNF) if desired) as well as hydrogen. Eden's process:

- Requires only a relatively low level of energy to heat the reactor and lower cost capital equipment compared with most other published methods;
- Uses proprietary, relatively low-cost catalysts (no precious metals are used in the catalysts) that Eden manufactures;
- Has a low carbon footprint; and
- Produces low-cost hydrogen and CNT (or CNF if desired) from natural gas without generating CO<sub>2</sub>.

Current and possible future applications for Eden's CNT are:

- Concrete (lead to the development of EdenCrete®)
- Carbon composite materials including plastics and polymers for many purposes including the automobile industry and aerospace industry, and packaging materials (lead to the development of EdenPlast®);
- Conductive coatings; and
- Use in batteries and electrical storage.



The three EdenCrete® products (EdenCrete®, EdenCrete® Pz, and EdenCrete® Pz7) that have been developed and commercialised are all carbon nanotube-enriched, liquid admixtures for concrete that significantly improve tensile and flexural strength without compromising compressive strength, and improve permeability, or corrosion resistance. This results in greater load bearing capacity for applications such as slabs on grade, columns or footings, improved resistance to abrasive wear and significantly reduced shrinkage, all in a cost-effective manner, and usually without undesirable interactions with other admixtures already in the mix.



**Bulk and Packaged EdenCrete® Products**

The original EdenCrete® was first developed for use in concrete manufactured largely with calcium-based Ordinary Portland Cement (OPC), and enhances many of the performance characteristics of the concrete (compressive and flexural strength, abrasion resistance, and reduced permeability) resulting in increased longevity and durability of the concrete.

EdenCrete® Pz and EdenCrete® Pz7 were developed to work with both concrete manufactured with OPC as well as with concrete that contains a significant percentage of pozzolanic cementitious material (primarily fly-ash and/or blast furnace slag, both of which are lower cost waste products that have a near zero Greenhouse Gas footprint) in substitution in the concrete mix for the same percentage of OPC. This results in cheaper, similar strength concrete that has a greatly reduced CO<sub>2</sub> footprint.

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

The global use of concrete is estimated to contribute 8% of the total annual global CO<sub>2</sub> emissions. Most of this CO<sub>2</sub> comes from the production of Ordinary Portland Cement from limestone, for use as the primary cementitious material. With increasing concern about climate change, there is a very strong push by many of the major concrete producers around the world to develop concrete mixes with lower CO<sub>2</sub> footprints, largely by substituting high percentages of silica-based pozzolans for the calcium-based Ordinary Portland Cement.

The EdenCrete® Pz range of admixtures enable concrete incorporating significantly increased percentages (in some cases up to 50% or more) of low-cost, ultra-low CO<sub>2</sub> footprint pozzolans, such as fly-ash and blast furnace slag, in substitution for a corresponding reduction in the amount of high CO<sub>2</sub> footprint compared with the same mix made with Ordinary Portland Cement. The reduction in the CO<sub>2</sub> footprint of the concrete that is achieved when fly ash or slag is substituted for the same mass of OPC in the concrete, is roughly equal to 90% of the mass of OPC that is removed from the mix.

The EdenCrete® Pz range of admixtures is currently being trialled in the USA, Canada, Ecuador France, Australia, India and Indonesia and the positive outcome already achieved from many of these trials, is seen as a very important driver in the anticipated steep increase in global sales of the EdenCrete® Pz range of admixtures over the coming years.

Whilst the greatly lower CO<sub>2</sub> footprint of the concrete is one of the primary driver of the growing interest in low CO<sub>2</sub> concrete around the world, the reduced cost of the concrete due to the fly ash and slag usually being far cheaper than OPC, coupled with the comparable or improved performance delivered by the EdenCrete® Pz range of admixtures, are the other primary drivers for the significant, emerging interest in EdenCrete® admixtures.

India and Indonesia are both very large, extremely low-cost markets, and the fact that the EdenCrete® Pz range of admixtures can be still be commercially attractive in those ultra-low-cost countries, is considered likely to be result in even more attractive interest in the North America and Europe and other developed countries where the cost of OPC is often double the price in India and Indonesia.



Globally, fly ash, a potentially toxic waste product produced since the late 19th century from coal fired generation, is widely available from huge existing stockpiles in landfill and ponds and lakes around the world. Coupled with the diminishing global supplies of limestone from which Portland Cement is derived, the ability to replace a high percentage of the Portland Cement in concrete with fly ash, is likely to play an important role in enabling development that requires concrete to continue around the world, but with a significantly reduced CO<sub>2</sub> footprint.

The US currently still operates approximately 60 coal-fired power stations that continue to produce fly ash. Additionally, spread around the USA are many billions of tonnes of existing stock piles of fly ash, bottom ash and pond ash in landfill, lakes and ponds, most of which represent significant environmental hazards. Much, if not all of this material, could be used in concrete as a cementitious material in place of OPC.

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 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 long- term growth in US sales of EdenCrete® products.



OptiBlend® dual fuel technology allows conventional diesel engines to run on a mixture of natural gas and diesel fuel, with natural gas being the primary fuel (up to 70%), without modifying the engine or the current diesel fuel system. This normally results in lower fuel costs (with natural gas generally being cheaper than diesel fuel), lower emissions, and increased runtime for the engine, by enabling the stored diesel fuel to last up to 3 times as long. This is a major benefit for operators of diesel generator sets that are used for back-up power in many countries in many critical industries including hospitals, jails, airports, data centres, shopping malls and government buildings to name a few. The product has been fully developed and marketed in USA and India and sold in a number of other countries for more than 15 years.

Gas is delivered to the combustion chamber using the existing air intake system. The OptiBlend® proprietary Air-Gas Mixer (AGM) (far-right) is installed just downstream of the stock air filter where it dictates the air-to-gas ratio in conjunction with the OptiBlend® Fuel Control Valve (FCV)(left).

The mixer uses the Venturi effect to draw gas into the engine. The fuel control valve has a 10-20 millisecond reaction time, allowing immediate throttle adjustment in response to changes in engine load. The fuel control valve utilizes internal software with fault detection and position control and is controlled by the Programmable Logic Control (PLC). Each OptiBlend® kit is custom fit and commissioned for each specific engine and application.







EdenPlast® is a CNT enriched polypropylene tape made by conventional extrusion process. The product is made from stable pelleted, high concentration CNT masterbatch diluted with standard PP material, the CNTs end up uniformly dispersed and fully integrated in the PP matrix.



**Polymer tape with progressively higher percentages of CNT added**

The following summarises the assessment of the performance of the EdenPlast®:

- Excellent combination of high modulus (stiffness) and outstanding ductility (elongation-at-break) achieved for Nylon containing <1% Eden's CNTs compared to commercial grades of nano Nylon 6.
- Superior ductility with comparable tensile strength (> 75 MPa, 50% Relative Humidity ("RH") conditions) compared to super-tough commercial Nylons containing higher levels (4wt%) of nano-clays.
- Higher tensile strength than comparable Nylon based materials with similar ductility.
- Excellent dispersion of the Eden's CNTs in EdenPlast®. Visual clarity and transparency suggest suitability for a super-tough-film grade.
- The relatively low-cost processing method of EdenPlast® could potentially result in production of cost-effective, high-stiffness and/or high-toughness grades of nano Nylon 6.
- Possible suitable future markets for EdenPlast®, indicated by the results to date, are the automotive and packaging markets.

Whilst further fundamental studies (XRD, rheology, thermal and electrical analysis) and further standard characterization (ASTM, ISO) (impact, flexural, tensile, dynamical, fatigue) will be undertaken before possible commercialization, these preliminary results from extruded filaments are considered very encouraging.

## Hythane™

Hythane™ is a blend of hydrogen and Natural Gas that yields significant emission reductions whilst being a cost-effective gaseous fuel option. Developed by Frank Lynch, the technology was acquired by Eden in 2004.

Hythane was adopted by the Indian Government in 2006 as a transitional fuel in its hydrogen programme, and in 2009 Eden won an international tender to build the first Hythane station for Indian Oil.

After years of trials and development, India has over the last several years, been converting its Natural Gas-powered bus fleets to operate on Hythane, starting with 7,000 buses being converted to Hythane operation in the Greater Delhi area. The programme is planned to be rolled out in other major Indian cities.

Hythane has the potential to generate a significant amount of business for Eden India, particularly through sales of the proprietary blending technology that Eden developed that enable it to continuously blend the gaseous hydrogen and the Natural Gas and maintain a consistent mix, regardless of changes in pressure and temperature of these gases.



First Indian Hythane Station near Delhi built by Eden for Indian Oil in January 2009

Hythane™ is effectively a premium blend of Natural Gas, containing usually 5-7 percent hydrogen (by energy). Natural Gas is generally about 90+ % methane, along with small amounts of higher hydrocarbons and inert gases like carbon dioxide or nitrogen.

Hydrogen and methane are complimentary gaseous vehicle fuels in many ways:

- Methane has a relatively narrow flammability range that limits the fuel efficiency and oxides of nitrogen (NOx) emissions improvements that are possible at lean air/fuel ratios. The addition of even a small amount of hydrogen, however, extends the lean flammability range significantly.
- Methane has a slow flame speed, especially in lean air/fuel mixtures, while hydrogen has a flame speed about eight times faster.
- Methane is a fairly stable molecule that can be difficult to ignite, but hydrogen has an ignition energy requirement about 25 times lower than methane.
- Finally, methane can be difficult to completely combust in the engine or catalyse in exhaust after treatment converters. In contrast, hydrogen is a powerful combustion stimulant for accelerating the methane combustion within an engine, and hydrogen is also a powerful reducing agent for efficient catalysis at lower exhaust temperatures.

## DIRECTORS' REPORT

Your directors present their report on Eden Innovations Ltd ("Eden" or "the Company") and its controlled entities ("the Group") for the financial year ended 30 June 2024.

### Directors

The names of directors in office at any time during or since the end of the year are:

Gregory H Solomon

Douglas H Solomon

Allan Godsk Larsen

Directors have been in office since the start of the financial year to the date of this report, unless otherwise stated.

### Company Secretary

The following person held the position of company secretary during and at the end of the financial year:

Mr Jamie M Scoringe

### 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 Group's principal activities during the financial year.

### Operating Results

The consolidated loss of the Group after providing for income tax amounted to \$2,740,629 (2023: \$17,906,199).

### Dividends Paid or Recommended

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

### Review of Operations

A review of the operations of the Group during the year ended 30 June 2024 is set out in the Review of Operations on Page 6.

### Financial Position

The Group has reported a net comprehensive loss for the period of \$2,740,629 (2023: \$17,906,199), a cash outflow from operating activities of \$5,224,701 (2023: \$4,167,063) and a net working capital deficit of \$8,785,996 (2023: \$4,075,042). The Group's liabilities have increased over the period to \$15,096,389 (2023: \$12,275,957) primarily through the extension of \$4,175,000 debt proceeds provided by the Company's largest shareholder Noble Energy Pty Ltd (a wholly owned subsidiary of Tasman Resources Ltd), offset by repayment of USD\$675,000 (AUD\$1,009,874) to the Company's USA subsidiary financier, iBorrow REIT (iBorrow Loan).

The consolidated financial statements have been prepared on a going concern basis. In arriving at this position, the directors have had regard to the matters noted below. In the directors' opinion, the Group will have access to sufficient cash to enable the Group to settle its obligations in the normal course of business and continue as a going concern for a period of at least 12 months from the date of signing this financial report.

### Augusta, Georgia Property

In September 2024, the Group accepted a conditional offer from a buyer for its Augusta, Georgia property (the "Georgia Property") at a price before agents and settlement costs of USD\$5,000,000 approximately (AUD\$7,494,000). The contract is conditional upon several conditions, including confirmation of title, survey and due diligence and environmental investigations. If the purchaser is not satisfied with any of the conditions precedent, it may terminate the contract.

At the date of this report, the directors note that the purchaser has:

- satisfactorily completed a full environmental survey for surface contamination;
- paid the deposit required per the signed contract of sale;
- engaged lawyers whom have reviewed title to the property and commenced the formal process of confirming the suitability of the property;
- completed two iterations of the total project development and are working on a third draft; and.
- indicated that the ultimate end user intends to occupy the Georgia Property by the end of calendar year 2025 and hence requires development of the property to suit its own specific needs to commence in the near future to allow that to happen. Consequently, the purchaser anticipates that completion of the sale will occur before the end of December 2024 or in January 2025.

## DIRECTORS' REPORT

### Financial Position (Continued)

Based on the above, the directors have reasonable grounds to expect settlement of the Georgia Property will occur in December 2024 or in January 2025. As noted in the 'iBorrow Financing Facility' section below, all the proceeds from the sale of the Georgia Property are required to be allocated to repayment of the iBorrow financing facility of USD\$5,800,000 (\$8,684,699 as at 30 June 2024) which is due for settlement in full on 7 February 2025.

### Mead Way, Colorado Property

The Group's Mead Way Littleton Colorado property (the "Mead Way Property") is also on the market for sale. The Mead Way Property was appraised by an agent in June 2024 at a market value of USD\$2,600,000 to \$3,000,000 (approximately AUD\$3,900,000 to \$4,500,000), which is consistent with the valuation provided by an independent valuer in October 2023.

The directors have obtained confirmation from the appointed sales agents that there has been interest in the Mead Way Property with a number of parties having viewed the property in the recent past.

Notwithstanding that there have been no formal offers on the Mead Way Property to date, the directors are confident that the property will be sold and settlement is expected in January or February 2025. As noted in the 'iBorrow Financing Facility' section below, proceeds from the sale of the Mead Way Property are required to be first allocated to any outstanding iBorrow financing facility (after allocation of the proceeds from settlement of the Georgia Property) to fully extinguish that liability by 7 February 2025.

### Forecast Increased Revenue

The Group has expanded the market footprint of its EdenCrete® Pz7 concrete admixture, particularly to companies within the Holcim group. Currently:

- three plants in Colorado have installed or are installing dispensing equipment for EdenCrete® Pz7;
- two plants in Ecuador have installed or are installing dispensing equipment and have purchased a half container of EdenCrete® Pz7 product, at a value of USD\$80,800 (approx AUD\$120,000), and further rollout across other plants in Ecuador is under discussion;
- continuing trials in East and West Canada, the United Kingdom and France are anticipated to result in increasing sales in the near future.

During the month of September 2024 quotes for in excess of USD\$900,000 (approx AUD\$1,200,000) for OptiBlend® kits were issued, taking the total number of open quotes to in excess of USD\$4,000,000 (approx AUD\$6,000,000). The company has not yet entered into binding sales contracts in relation to these quotes and there is no guarantee that all quotes will convert to sales.

Market drivers for the OptiBlend® systems are:

- Demand from the shale oil and shale gas drilling and fracking market to use natural gas to:
  - extend prime power generation capacity;
  - reduce fuel costs; and
  - reduce carbon footprint.
- Demand from large companies, government undertakings, hospitals, gaols, military bases, property owners, data centres, shopping malls etc to:
  - extend back-up power generation capacity due to increasing and extended power outages resulting from extreme weather events; and
  - reduce fuel costs; and reduce carbon footprint.

As a result of the above and consistent with the announcement made to the market on 30 August 2024 regarding the EdenCrete® Pz/Pz7 and OptiBlend® product range update, the directors forecast continued sales growth over the next 12-24 month period from the date of this report.

In addition, the directors forecast an overall positive gross margin on the sale of EdenCrete® Pz/Pz7 and OptiBlend® in the 12-month period from the date of this report which would reduce the Group's reliance on the need for additional external funding.

## DIRECTORS' REPORT

### Financial Position (continued)

#### Proposed Capital Raising

Notwithstanding the fact the directors have not yet signed any agreements to engage brokers to raise additional capital, as a result of anticipating a positive market response to progress in increasing product sales and reduction of debt and operating costs, the directors believe that the Company has the ability to obtain additional funding via a capital raising and/or rights issues during the forthcoming 12-month period.

#### Ongoing Financial Support

The Company has received confirmation that:

- related parties will defer cash settlement of liabilities (such as director fees) outstanding as at 30 June 2024 disclosed in Note 9 and during the forthcoming 12-month period to ensure that third party and other liabilities can be settled as and when they fall due in line with the Group's cashflow forecast;
- in addition to having provided in excess of \$5,400,000 over the past 18 months in funding to the Group, director-owned entities will endeavour to continue to provide financial support to the Group to ensure that third party and other liabilities can be settled as and when they fall due in line with the Group's cashflow forecast; and
- Tasman Resources Limited, through its wholly owned subsidiary Noble Energy Pty Ltd, will not call in the loan of \$4,065,958 disclosed in Note 17 until such time as the Group has sufficient financial resources to be able to settle the loan without impacting its ability to settle third party and other liabilities as and when they fall due. This will not prevent Tasman Resources Limited, in its discretion, from agreeing to discharge all or some of this loan by the Company issuing shares in the Company to Noble Energy Pty Ltd in lieu of the Company repaying the loan in cash.

#### iBorrow Financing Facility

As noted above, the directors are of the opinion that settlement of the Georgia Property will occur in December 2024 or January 2025 and anticipate that settlement of the Mead Way Property is reasonably likely to occur in January 2025 or February 2025 to enable the Group to discharge the iBorrow financing facility in full when it becomes due on 7 February 2025. However, and notwithstanding that the directors have not entered into any formal discussion with iBorrow or alternative financing providers, the directors are of the opinion that should settlement of one or both of the properties be delayed, the Company is reasonably likely to be able to renegotiate the iBorrow settlement date or refinance through a different financier to ensure that the Group continues as a going concern and third party and other liabilities can be settled as and when they fall due.

In order to continue as a going concern for a period of at least 12 months from the date of this report, in addition to receiving continued financial support from entities related to the directors or raising funds from another source, it is fundamental that the sale of the Georgia Property and Mead Way Property occur within the time frame and at an amount that enables the Group to discharge most or all of its obligations to iBorrow, or alternatively that the Group is able to renegotiate settlement or otherwise repay or refinance its iBorrow facility due on 7 February 2025.

Should the Group not achieve the matters described above, and specifically the points noted in the preceding paragraph, there are material uncertainties 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 consolidated financial statements. The 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.

#### Significant Changes in State of Affairs

There have been no significant changes in the state of affairs that occurred during the financial year.

## DIRECTORS' REPORT

### After Reporting Date Events

On 5 July 2024, the Company issued 28,837,548 new Ordinary shares to Dr Allan Godsk Larsen in respect of part settlement of non-executive Directors fees relating to the financial year ending 30 June 2024.

On 8 July 2024, the Group's appointed realtor commenced marketing of the Group's property for sale at Mead Way Littleton Colorado USA as announced to the ASX on 21 June 2024.

On 9 July 2024, the Company issued 6,600,000 new Ordinary shares to nominees of CoPeak Pty Ltd (Peak Asset Management) in respect of investor relations services provided to the Company in the financial year ending 30 June 2024.

On 2 August 2024, the Company's Pro-Rata Non-renounceable Rights Issue (Issue) closed to eligible shareholders as announced to the ASX on 7 June 2024. Subsequently, 394,500,718 new Ordinary shares, and 197,250,419 new EDEOD options were allotted in respect of the \$789,002 funds raised under the Issue.

On 7 August 2024, the Group announced an extension to the iBorrow Loan facility for a period of 6 months, ending on 7 February 2025.

On 30 August 2024, the Group announced a US Sales and Market update, which noted a 74% increase to historical average for the sales of EdenCrete and OptiBlend products in the USA in the months ending July and August 2024.

On 16 September 2024, the Group announced it had accepted a conditional offer for the sale of its Augusta, Georgia industrial property for USD \$5million (AUD\$7.494million), with settlement expected for December, 2024.

On 7 October 2024, the Company's unexercised EDEO listed options expired.

No other matters or circumstances have arisen since the end of the financial 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.

### Future Developments, Prospects and Business Strategies

The Group currently has two primary commercial products divisions, its EdenCrete® range of concrete admixtures to enhance concrete, and its OptiBlend® dual fuel system for operating diesel generator sets on a combination of diesel fuel and natural gas.

- Since 2016, when EdenCrete® was first sold in the USA, the EdenCrete® products have been sold and used commercially in USA, India, France and Australia with significant upside potential in new markets as noted in the Review of Operations.
- Both USA and India are major markets for concrete, and each has also adopted very large, multi-year infrastructure budgets, much of which will be expended on building new concrete infrastructure or repairing or replacing existing concrete infrastructure.
- Relevantly, in addition to EdenCrete® products having been approved for use in concrete by Departments of Transportation in 21 US states, the Georgia Department of Transportation, since 2017, has specified that EdenCrete® be included in the concrete to be used in full depth concrete slab replacements on its state highways.
- Numerous trials in USA, India, Indonesia and Europe have shown most types of fly ash that have been tested to be responsive to the EdenCrete® Pz products, enabling that fly ash to be used to replace a significant percentage of the Ordinary Portland Cement (OPC) that would otherwise be required in the concrete. This has repeatedly shown that cheaper concrete, with a greatly reduced CO<sub>2</sub> footprint, can be produced, thereby opening up a potentially extremely large market. Fly ash continues to be produced in coal-fired power production in many countries around the world, adding further to the large existing stockpiles of fly ash in land fill sites and ponds and lakes around the world.
- The commencement of orders for the EdenCrete® Pz products to Holcim in July 2024 complete with dispensing equipment reflect the first tangible steps toward commercialization of the Pz Products.
- Whilst Eden's products (the EdenCrete® range and the OptiBlend® dual fuel system) are well proven in the market place, the sales of each have fluctuated from time to time, resulting in Eden having had to periodically raise capital to cover its operating losses.
- Many hundreds of OptiBlend® dual fuel systems have been sold by the Eden Group, since 2009 in particular in USA and India generating many millions of dollars of sales in both markets, although its markets have fluctuated from time to time. As a result of its level of OptiBlend® sales over the period of FY2019-FY2023, Eden India was profitable and cash flow positive sufficiently to enable Eden India to declare dividends to the parent during FY23 and FY24.
- Eden US owns three US real estate properties, with a total appraised value over US\$11 million. From August 2023, US\$5,800,000 of debt is secured against these properties. On 16 September 2024, the Group announced it had accepted a conditional offer for the sale of its Augusta, Georgia industrial property for USD \$5,000,000 (AUD\$7,494,000), with settlement expected for December, 2024. Additionally, the Group has proceeded to market its Mead Way, Littleton Colorado property for sale. Once sold, it is intended that the proceeds would extinguish debt and provide ongoing working capital. The sale of the above-mentioned two properties would also have the effect of reducing ongoing operating costs by up to approx. US\$864,000 (approx. A\$1,300,000) per year and leave its remaining property unencumbered.



## DIRECTORS' REPORT

### Material Business Risks

#### Personnel Risks

Besides protecting its intellectual property with patents and trademarks, Eden also contains significant know-how in regards to its technology and products, markets, supply chain and distribution channels, and thus has a reliance on a number of personnel in regards to its future success.

#### Future Capital Needs

There is also a funding risk of Eden not being able to generate sufficient profits from the sale of its products and/or to raise sufficient funds to supplement its sales revenue to enable it to fully service its cash requirements before the Eden Group achieves longer-term sustainable profitability. The funding risk extends to Eden being able to extinguish, extend or refinance its debt to iBorrow REIT on the 7<sup>th</sup> of February 2025 (through the sale of its Augusta, Georgia and/or Mead Way Colorado properties, or through raising sufficient capital funds, or refinance through an alternative institution).

#### General Market Risks

Apart from the usual range of market risks associated with developing, producing and selling new industrial products in several countries, Eden faces other risks including, but not limited to, employment rates, economic risks from financial market upheavals, and major global disruptive events that are beyond Eden's control, such as supply chain shortages and upheavals, government mandates, wars and other conflicts, pandemics, and market competition.

### Environmental Issues

The Group is subject to environmental regulation and complies fully with all requirements.

## DIRECTORS' REPORT

### Information on Directors

#### Gregory H Solomon

##### Qualifications

##### Experience

Executive Chairman

##### LLB

Appointed Executive Chairman in 2004. A qualified lawyer with more than 30 years' Australian and international experience in a wide range of areas including commercial negotiation and corporate law. Following 15 years' experience as a director on a number of ASX listed companies, for the past 20 years in his role as Executive Chairman he has been responsible for initiating and managing the entire business development of all companies in the Group since its incorporation.

##### Interest in Shares and Options

80,293,890 Ordinary Shares, 1,890,392 EDEO Options\*, 3,071,884 EDEOC Options

##### Directorships held in other listed entities in the last three years

Tasman Resources Limited (ASX:TAS)  
Conico Limited (ASX:CNJ)

#### Douglas H Solomon

##### Qualifications

##### Experience

Non-Executive Director

##### Bjuris LLB (Hons)

Board member since May 2004. A Barrister and Solicitor with more than 40 years' experience in the areas of mining, corporate, commercial and property law. He is a partner in the legal firm, Solomon Brothers.

##### Interest in Shares and Options

72,465,288 Ordinary Shares, 1,622,747 EDEO Options\*, 2,636,692 EDEOC Options

##### Directorships held in other listed entities in the last three years

Tasman Resources Limited (ASX:TAS)  
Conico Limited (ASX:CNJ)

#### Allan Godsk Larsen

##### Qualifications

##### Experience

Non-Executive Director

##### M.Sc., Ph.D.

Board member since February 2023. 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:

- o Two and a half years as Senior Scientist R&D at Cap-XX Ltd in Sydney, developing super capacitors including working with carbon nanotubes;
- o 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:
- o 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.

##### Interest in Shares and Options

43,835,647 Ordinary Shares, 45,217 EDEO Options\*, 73,477 EDEOC Options

##### Directorships held in other listed entities in the last three years

-

\* EDEO options all expired on the 7<sup>th</sup> of October 2024 without exercise.

## DIRECTORS' REPORT

### REMUNERATION REPORT (AUDITED)

This report details the nature and amount of remuneration for each director of the Company, and for the executives receiving the highest remuneration.

#### Key Management Personnel

Names and positions held of key management personnel in office at any time during the financial year are:

Key Management Person	Position
Gregory H Solomon	Executive Chairman & Interim CEO
Douglas H Solomon	Non-Executive Director
Allan Godsk Larsen	Executive Director
Jamie Scoringe	Company Secretary / Chief Financial Officer

#### Remuneration policy

The remuneration policy of the Group has been designed to align Key Management Personnel objectives with shareholder and business objectives by providing a fixed remuneration component and offering specific long-term incentives based on key performance areas affecting the Group's financial results. The board of Eden Innovations Ltd believes the remuneration policy to be appropriate and effective in its ability to attract and retain the best executives and directors to run and manage the Group, as well as create goal congruence between Key Management Personnel and shareholders.

The board's policy for determining the nature and amount of remuneration for Key Management Personnel of the Company is as follows:

- Key Management Personnel receive a base salary (which is based on factors such as length of service and experience), superannuation, fringe benefits and share performance rights.

Key Management Personnel are also entitled to participate in the employee share and option arrangements, which are determined by the board on an ad-hoc basis.

All remuneration paid to Key Management Personnel is valued at the cost to the Company and expensed. Options are valued using the Black-Scholes methodology. The Group does not have a policy on directors hedging their shares.

The maximum aggregate amount of fees that can be paid to non-executive directors is subject to approval by shareholders at the Annual General Meeting. At its annual general meeting on 24 November 2017, non-executive directors' fees not exceeding an aggregate of \$260,000 per annum were approved by Shareholders. Fees for non-executive directors are not linked to the performance of the Group. However, to align directors' interests with shareholder interests, the directors are encouraged to hold shares in the Company.

#### Performance-based remuneration

No performance-based remuneration was earned or paid during the year.

#### Key Management Personnel Remuneration Policy

The remuneration structure for key management personnel is based on a number of factors, including length of service, particular experience of the individual concerned, and overall performance of the Group. The contracts for service between the Group and key management personnel are on a continuing basis, the terms of which are not expected to change in the immediate future. Upon retirement key management personnel are paid employee benefit entitlements accrued to date of retirement. Any ESOP options not exercised before or on the date of termination lapse. The Company does not currently have any Option plan in place for its employees.

#### Relationship between Remuneration and Group Performance

The Directors assess performance of the Group with regards to the achievement of both operational and financial targets. The following table shows the Group's net loss for the current and preceding 4 years, as well as Eden's share prices at the end of the respective financial years:

Name	2024	2023	2022	2021	2020
Net loss	\$2,740,629	\$17,906,199	\$5,834,217	\$6,649,179	\$8,623,693
Share price (cents)	0.1	0.3	1.1	2.1	2.5

## DIRECTORS' REPORT

## REMUNERATION REPORT (CONTINUED)

Key Management Person	Short-term Benefits			Post-Employment Benefits	Other Long Term Benefits	Termination Benefits	Share-based Payments			Total			
	Salary and Fees	Non-cash benefit	Other				Super-annuation	Other	Other		Equity	Options	Performance Rights
	\$	\$	\$				\$	\$	\$		\$	\$	\$
2024													
Gregory Solomon	300,000	-	-	36,750	-	-	-	-	-	336,750			
Douglas Solomon	54,000	-	-	6,615	-	-	-	-	-	60,615			
Allan Godsk Larsen (b)	344,807	-	-	-	-	-	85,452	-	-	430,259			
Jamie Scoringe (c)	-	-	-	-	-	-	6,143			6,143			
	698,807	-	-	43,365	-	-	91,595	-	-	833,766			
2023													
Gregory Solomon	300,000	-	-	34,125	-	-	-	-	-	334,125			
Douglas Solomon	54,000	-	-	6,143	-	-	-	-	-	60,143			
Lazaros Nikeas (a)	31,009	-	-	-	-	-	-	-	-	31,009			
Stephen Dunmead (a)	31,980	-	-	-	-	-	-	-	-	31,980			
Don Grantham Jr	334,854	-	-	19,914	-	-	-	-	-	354,768			
Allan Godsk Larsen (b)	347,791	-	-	-	-	-	47,646	-	-	395,437			
Aaron Gates (c)	-	-	-	-	-	-	-	-	-	-			
Jamie Scoringe (c)	-	-	-	-	-	-	10,328			10,328			
	1,099,634	-	-	60,182	-	-	57,974	-	-	1,217,790			

(a) Mr Lazaros Nikeas resigned as a non-executive director in January 2023, Dr Stephen Dunmead resigned as a non-executive director in February 2023.

(b) Dr Allan Godsk Larsen was appointed as a director of the Company on 6 February 2023. Both the 2023 and 2024 tables include all remuneration paid during the respective full year to Dr Allan Godsk Larsen in his consultant capacity as Chief Scientist and Manager of International Business.

(c) This officer is provided by Princebrook Pty Ltd (a company in which Mr Gregory Solomon and Mr Douglas Solomon have an interest) under the Management Services Agreement with the Company (see other transactions with key management personnel below). Mr Aaron Gates resigned as Company Secretary and Chief Financial Officer of the Company in January 2023. The shares issued to Mr Scoringe during the year were the second tranche of Employee and other employee incentive shares consistent with an agreement to issue the shares on 16 December 2022 (grant date), with the total number of shares (3,600,000) valued at the share price applicable at the grant date (\$0.005) then split into three tranches. The related expense for each tranche is spread over the relevant retention period until it becomes due and payable. Under the circumstance where Mr Scoringe is no longer employed as a contractor by the Company, any accrued expenditure is reversed in the period when employment is terminated, and any future tranches are cancelled.

## Share-based Payments

Dr Larsen's engagement as Non-executive director includes part settlement of non-executive director's fees of \$54,000 per year. During the period, \$21,303 of shares were issued in respect of the prior year, and \$54,000 of shares issued in July 2024 in respect of the reporting period. Dr Larsen and Mr Scoringe were eligible to receive employee and contractor incentive shares during the year. Mr Scoringe was issued the second tranche of three in respect of his engagement with the Company. Since Dr Larsen was engaged as a non-executive Director following the commitment to receive the employee and contractor incentive shares, his share issue has been referred for shareholder approval for the next shareholder meeting, yet to be scheduled. The shares are issued based on tenure and are not related to performance.

## DIRECTORS' REPORT

### REMUNERATION REPORT (CONTINUED)

#### Other transactions with Key Management Personnel

Management fees of \$300,000 were charged during the year to Princebrook Pty Ltd, with \$500,000 outstanding at year end, a company in which Mr GH Solomon and Mr DH Solomon have an interest. The Management Services Agreement with the Company provides serviced offices, administration, governance and accounting staff, IT equipment and software.

Legal fees of \$36,574 (nil outstanding at year end), based on normal market rates, were paid to Solomon Brothers, a firm in which Mr GH Solomon and Mr DH Solomon are partners.

Dr Alan Larsen purchased USD\$863 (AUD\$1,303) of EdenCrete for personal use during the year. The product was sold at commercial rates.

The Group does not have any loans owing by Key Management Personnel at the reporting date or during the reporting period.

#### Contractual arrangements

Remuneration and other terms of employment for Key Management Personnel are formalised via service agreements. Major provisions of the agreements relation to remuneration are set out below:

Name	Term of agreement	Base Salary (exc Superannuation)	Termination
Gregory Solomon	Until validly terminated in accordance with the terms of the Agreement	\$300,000	In accordance with the company's constitution and the Corporations Act 2001 (Cth)
Douglas Solomon	Holds office until re-election by rotation	\$54,000	In accordance with the company's constitution and the Corporations Act 2001 (Cth)
Allan Godsk Larsen	As non-executive Director: Holds office until re-election by rotation As consultant: Until validly terminated in accordance with the terms of the Agreement	\$32,000  USD\$210,000	In accordance with the company's constitution and the Corporations Act 2001 (Cth)  Termination by 1 month's notice by either party
Jamie Scoringe	Employee of Princebrook Pty Ltd – nil Until validly terminated in accordance with the terms of the Agreement		Termination by 1 month's notice by either party

#### Amounts owing to Key Management Personnel

The below balances were owing to Key Management Personnel at 30 June 2024:

Name	Directors Fees (including Superannuation)	Consulting Fees	Share Based Payments	Total
Gregory Solomon	\$ 585,375	-	-	\$ 585,375
Douglas Solomon	\$ 105,367	-	-	\$ 105,367
Allan Godsk Larsen	\$ 44,537	\$ 77,931	\$ 64,149	\$ 186,617
Jamie Scoringe	-	-	-	-
<b>Total</b>	<b>\$ 735,279</b>	<b>\$ 77,931</b>	<b>\$ 64,149</b>	<b>\$ 877,359</b>

## DIRECTORS' REPORT

### REMUNERATION REPORT (CONTINUED)

#### Number of Options Held by Key Management Personnel at 30 June 2024

	Balance 30.6.2023	Granted as Compensation	Options Exercised	Net Change* Other	Balance 30.6.2024	Total Vested 30.6.2024	Total Exercisable 30.6.2024	Total Unexercisable 30.6.2024
Gregory Solomon	4,962,276	-	-	-	4,962,276	4,962,276	4,962,276	-
Douglas Solomon	4,259,709	-	-	-	4,259,709	4,259,709	4,259,709	-
Allan Godsk Larsen	118,694	-	-	-	118,694	118,694	118,694	-
Jamie Scoringe	-	-	-	-	-	-	-	-
Total	9,340,679	-	-	-	9,340,679	9,340,679	9,340,679	-

\* Net Change Other refers to options that have been purchased, sold, lapsed or issued during the year.

#### Number of Shares held by Key Management Personnel

	Balance 30.6.2023	Received as Compensation	Options Exercised	Net Change Other	Balance 30.6.2024
Gregory Solomon	80,293,890	-	-	-	80,293,890
Douglas Solomon	72,465,288	-	-	-	72,465,288
Allan Godsk Larsen <sup>1</sup>	4,954,831	10,043,268	-	-	14,998,099
Jamie Scoringe <sup>2</sup>	1,200,000	1,200,000	-	-	2,400,000
Total	158,914,009	11,243,268	-	-	170,157,277

1 Per the conditions of the Issue of Shares to a non-executive Director in respect of part settlement of Directors' Fees, shares issued on 1 December 2023 remain in voluntary escrow for a period of two years from issue date. Subsequent to the reporting date, Dr Larsen was issued 28,837,548 shares in respect of part payment of non-executive directors' fees.

2 Per the conditions of the Employee Share Scheme, shares issued on the 9<sup>th</sup> of January 2024 remain in voluntary escrow until 31 December 2024.

#### <End of Remuneration Report>

#### Meetings of Directors

During the financial year, 5 meetings of directors were held. Attendances by each director during the year were as follows:

	Number eligible to attend	Number attended	Circulatory Resolutions
Gregory H Solomon	5	5	11
Douglas H Solomon	5	5	11
Allan Godsk Larsen	5	5	11

#### Unissued shares under options

At the date of this report, the unissued ordinary shares of Eden Innovations Ltd under option are as follows:

Issue Date	Date of Expiry	Exercise Price	Number under Option
Various	28 April 2025	\$0.026	313,614,981
Various	11 September 2026	\$0.009	587,250,419
			<u>900,865,400</u>

No person entitled to exercise the option has any right by virtue of the option to participate in any share issue of any other body corporate.

During the reporting year, 6,850,762 unlisted options expired without exercise. On 7 October 2024, 111,854,354 EDEO options expired without exercise.



## DIRECTORS' REPORT

### Indemnifying Officers

The Company has arranged for an insurance policy to insure the directors against liabilities for costs and expenses incurred by them in defending any legal proceedings arising out of their conduct while acting in the capacity of director of the Company, other than conduct involving a wilful breach of duty in relation to the Company. The total premium payable was approximately \$72,274.

### Indemnity of Auditor

To the extent permitted by law, the Group has agreed to indemnify its auditors, Nexia Perth Audit Services Pty Ltd, as part of the terms of its audit engagement agreement against claims by third parties arising from the audit (for an unspecified amount). No payment has been made to indemnify Nexia Perth Audit Services Pty Ltd during and/or since the year ended 30 June 2024.

### Auditor's Independence Declaration

The lead auditor's independence declaration for the year ended 30 June 2024 has been received and can be found on page 28.

### Non-audit Services

No fees for non-audit services were paid or are payable to the external auditors during the year ended 30 June 2024.

### Proceedings on Behalf of the Company

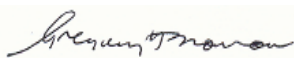
No person has applied for leave of Court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings.

The Company was not a party to any such proceedings during the year.

### Rounding of Amounts

Eden Innovations Ltd is a type of Company referred to in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191 and therefore the amounts contained in this report and in the financial report have been rounded to the nearest \$1.

Signed in accordance with a resolution of the Board of Directors.



Gregory H Solomon

Executive Chairman

Dated this 30th day of October 2024

To the Board of Directors of Eden Innovations Limited

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

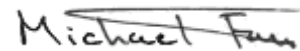
As lead auditor for the audit of the financial statements of Eden Innovations Limited for the financial year ended 30 June 2024, I declare that to the best of my knowledge and belief, there have been no contraventions of:

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

Yours sincerely

NPAS

**Nexia Perth Audit Services Pty Ltd**



**Michael Fay**  
**Director**

Perth, Western Australia  
30 October 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](http://www.nexia.com.au/legal). Neither Nexia International nor Nexia Australia Pty Ltd provide services to clients.

Liability limited under a scheme approved under Professional Standards Legislation.

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
FOR YEAR ENDED 30 JUNE 2024**

	Note	2024 \$	2023 \$
Revenue	2	2,016,640	4,701,130
Other income	3	171,496	49,514
Changes in inventories		258,956	332,176
Raw materials and consumables used		(886,502)	(1,901,273)
Depreciation and amortisation expense		(1,352,409)	(1,103,765)
Employee benefits expense	4a	(3,278,263)	(4,194,176)
Finance costs		(1,370,089)	(1,681,206)
Legal and consultants		(521,624)	(693,721)
Management fees		(300,000)	(300,000)
Impairment Expense	15	-	(10,180,087)
Other financial items	5	(175,556)	11,916
Other expenses		(1,960,735)	(2,619,440)
Travel and accommodation		(150,995)	(289,783)
Loss before income tax		(7,549,081)	(17,868,715)
Income tax (expense)/benefit	8	-	-
Loss for the year		(7,549,081)	(17,868,715)
<b>Other Comprehensive Income / (Loss)</b>			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Foreign currency translation reserve		(271,028)	(37,484)
Revaluation of land and buildings		5,079,480	
Income tax relating to comprehensive income		-	-
Total Other Comprehensive Income / (Loss), net of tax		4,808,452	(37,484)
<b>Total Comprehensive Income / (Loss) attributable to members of the parent</b>		(2,740,629)	(17,906,199)
Basic/Diluted loss per share (cents per share)	7	(0.2167)	(0.6437)

The accompanying notes form part of these financial statements.

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2024

	Note	2024 \$	2023 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	10	975,196	2,534,969
Trade and other receivables	11	495,735	275,713
Inventories	12	2,132,542	2,480,112
Assets held available for sale	13	1,856,662	1,856,662
Other current assets		775,373	923,401
TOTAL CURRENT ASSETS		6,235,508	8,070,857
NON-CURRENT ASSETS			
Property, plant and equipment	14	12,548,308	8,543,107
Intangible assets	15	290,502	390,747
TOTAL NON-CURRENT ASSETS		12,838,810	8,933,854
TOTAL ASSETS		19,074,318	17,004,711
CURRENT LIABILITIES			
Trade and other payables	16	1,871,283	1,166,511
Interest bearing liabilities	17	12,791,030	10,168,878
Other liabilities		133,892	99,410
Provisions	18	225,299	711,100
TOTAL CURRENT LIABILITIES		15,021,504	12,145,899
NON-CURRENT LIABILITIES			
Interest bearing liabilities	17	-	40,617
Other liabilities		74,885	89,441
TOTAL NON-CURRENT LIABILITIES		74,885	130,058
TOTAL LIABILITIES		15,096,389	12,275,957
NET ASSETS		3,977,929	4,728,754
EQUITY			
Issued capital	19	126,337,633	124,598,898
Reserves	23	15,120,117	10,060,597
Accumulated losses		(137,479,822)	(129,930,741)
TOTAL EQUITY		3,977,929	4,728,754

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR YEAR ENDED 30 JUNE 2024

	Fully Paid Ordinary Shares	Share based payment Reserve	Asset Revaluation Reserve	Foreign Currency Translation Reserve	Accumulated Losses	Total
	\$	\$	\$	\$	\$	\$
<b>Balance at 30 June 2022</b>	121,603,612	8,720,285	-	1,223,208	(112,062,026)	19,485,079
Shares issued during the year, net of issue costs	2,995,286	-	-	-	-	2,995,286
Share based payments during the year	-	154,588	-	-	-	154,588
Loss for year	-	-	-	-	(17,868,715)	(17,868,715)
Other comprehensive income / (loss)	-	-	-	(37,484)	-	(37,484)
Total comprehensive income/(loss)	-	-	-	(37,484)	(17,868,715)	(17,906,199)
<b>Balance at 30 June 2023</b>	124,598,898	8,874,873	-	1,185,724	(129,930,741)	4,728,754
Shares issued during the year, net of issue costs	1,738,735	-	-	-	-	1,738,735
Share based payments during the year	-	251,069	-	-	-	251,069
Loss for year	-	-	-	-	(7,549,081)	(7,549,081)
Other comprehensive income / (loss)	-	-	5,079,480	(271,028)	-	4,808,452
Total comprehensive income/(loss)	-	-	5,079,480	(271,028)	(7,549,081)	(2,740,629)
<b>Balance at 30 June 2024</b>	126,337,633	9,125,942	5,079,480	914,696	(137,479,822)	3,977,929

The accompanying notes form part of these financial statements.

## CONSOLIDATED STATEMENT OF CASH FLOWS FOR YEAR ENDED 30 JUNE 2024

	Note	2024 \$	2023 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		1,836,357	5,088,709
Payments to suppliers and employees		(5,413,818)	(8,734,323)
Income taxes (paid)/received		(752,994)	-
Interest paid		(1,065,742)	(570,843)
Interest received		171,496	49,394
Net cash used in operating activities	21	(5,224,701)	(4,167,063)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment	14	(42,860)	(102,306)
Payment for research and development	15	(543,928)	(838,621)
Net cash used in investing activities		(586,788)	(940,927)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of shares, net of issue costs		1,056,309	2,980,664
Proceeds from borrowings, net of borrowing costs		4,175,000	4,147,109
Repayment of borrowings		(973,043)	(1,038,562)
Net cash provided by financing activities		4,258,266	6,089,211
Net increase/(decrease) in cash held		(1,553,223)	981,221
Net increase/(decrease) due to foreign exchange movements		(6,550)	642
Cash at beginning of financial year		2,534,969	1,553,106
Cash at end of financial year	10	975,196	2,534,969

The accompanying notes form part of these financial statements.



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

## NOTE 1: STATEMENT OF MATERIAL ACCOUNTING POLICIES

The financial report is a general-purpose financial report that has been prepared in accordance with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board and the *Corporations Act 2001*. The financial report complies with all International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board in their entirety.

The financial report covers the consolidated Group of Eden Innovations Ltd (“the Company”) and its controlled entities (“the Group”) as at and for the year ended 30 June 2024. Eden Innovations Ltd is a listed public company, incorporated and domiciled in Australia. The Group is a for-profit entity and primarily is involved in clean technology solutions.

The financial report was authorised for issue on 25 October 2024 by the Board of Directors.

The following is a summary of the material accounting policies adopted by the Group in the preparation of the financial report.

**Basis of Preparation**

The accounting policies set out below have been consistently applied to all years presented unless otherwise stated.

*Reporting Basis and Conventions*

The financial report has been prepared on an accruals basis and is based on historical costs modified by the revaluation of selected non-current assets, for which the fair value basis of accounting has been applied. These consolidated financial statements are presented in Australian dollars, which is the Company’s functional currency. The subsidiaries’ functional currencies are USD and INR. All amounts are rounded to the nearest whole Australian dollar unless noted with decimals.

*Going Concern*

The Group has reported a net comprehensive loss for the period of \$2,740,629 (2023: \$17,906,199), a cash outflow from operating activities of \$5,224,701 (2023: \$4,167,063) and a net working capital deficit of \$8,785,996 (2023: \$4,075,042). The Group’s liabilities have increased over the period to \$15,096,389 (2023: \$12,275,957) primarily through the extension of \$4,175,000 debt proceeds provided by the Company’s largest shareholder Noble Energy Pty Ltd (a wholly owned subsidiary of Tasman Resources Ltd), offset by repayment of USD\$675,000 (AUD\$1,009,874) to the Company’s USA subsidiary financier, iBorrow REIT (iBorrow Loan).

The consolidated financial statements have been prepared on a going concern basis. In arriving at this position, the directors have had regard to the matters noted below. In the directors’ opinion, the Group will have access to sufficient cash to enable the Group to settle its obligations in the normal course of business and continue as a going concern for a period of at least 12 months from the date of signing this financial report.

**Augusta, Georgia Property**

In September 2024, the Group accepted a conditional offer from a buyer for its Augusta, Georgia property (the “Georgia Property”) at a price before agents and settlement costs of USD\$5,000,000 approximately (AUD\$7,494,000). The contract is conditional upon several conditions, including confirmation of title, survey and due diligence and environmental investigations. If the purchaser is not satisfied with any of the conditions precedent, it may terminate the contract.

At the date of this report, the directors note that the purchaser has:

- satisfactorily completed a full environmental survey for surface contamination;
- paid the deposit required per the signed contract of sale;
- engaged lawyers whom have reviewed title to the property and commenced the formal process of confirming the suitability of the property;
- completed two iterations of the total project development and are working on a third draft; and.

indicated that the ultimate end user intends to occupy the Georgia Property by the end of calendar year 2025 and hence requires development of the property to suit its own specific needs to commence in the near future to allow that to happen. Consequently, the purchaser anticipates that completion of the sale will occur before the end of December 2024 or in January 2025.

Based on the above, the directors have reasonable grounds to expect settlement of the Georgia Property will occur in December 2024 or in January 2025. As noted in the ‘iBorrow Financing Facility’ section below, all the proceeds from the sale of the Georgia Property are required to be allocated to repayment of the iBorrow financing facility of USD\$5,800,000 (\$8,684,699 as at 30 June 2024) which is due for settlement in full on 7 February 2025.

**Mead Way, Colorado Property**

The Group’s Mead Way Littleton Colorado property (the “Mead Way Property”) is also on the market for sale. The Mead Way Property was appraised by an agent in June 2024 at a market value of USD\$2,600,000 to \$3,000,000 (approximately AUD\$3,900,000 to \$4,500,000), which is consistent with the valuation provided by an independent valuer in October 2023.

The directors have obtained confirmation from the appointed sales agents that there has been interest in the Mead Way Property with a number of parties having viewed the property in the recent past.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

## NOTE 1: STATEMENT OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

**Basis of Preparation (Continued)**

Notwithstanding that there have been no formal offers on the Mead Way Property to date, the directors are confident that the property will be sold and settlement is expected in January or February 2025. As noted in the 'iBorrow Financing Facility' section below, proceeds from the sale of the Mead Way Property are required to be first allocated to any outstanding iBorrow financing facility (after allocation of the proceeds from settlement of the Georgia Property) to fully extinguish that liability by 7 February 2025.

**Forecast Increased Revenue**

The Group has expanded the market footprint of its EdenCrete® Pz7 concrete admixture, particularly to companies within the Holcim group. Currently:

- three plants in Colorado have installed or are installing dispensing equipment for EdenCrete® Pz7;
- two plants in Ecuador have installed or are installing dispensing equipment and have purchased a half container of EdenCrete® Pz7 product, at a value of USD\$80,800 (approx AUD\$120,000), and further rollout across other plants in Ecuador is under discussion;
- continuing trials in East and West Canada, the United Kingdom and France are anticipated to result in increasing sales in the near future.

During the month of September 2024 quotes for in excess of USD\$900,000 (approx AUD\$1,200,000) for OptiBlend® kits were issued, taking the total number of open quotes to in excess of USD\$4,000,000 (approx AUD\$6,000,000). The company has not yet entered into binding sales contracts in relation to these quotes and there is no guarantee that all quotes will convert to sales.

Market drivers for the OptiBlend® systems are:

- Demand from the shale oil and shale gas drilling and fracking market to use natural gas to:
  - extend prime power generation capacity;
  - reduce fuel costs; and
  - reduce carbon footprint.
- Demand from large companies, government undertakings, hospitals, gaols, military bases, property owners, data centres, shopping malls etc to:
  - extend back-up power generation capacity due to increasing and extended power outages resulting from extreme weather events; and
  - reduce fuel costs; and reduce carbon footprint.

As a result of the above and consistent with the announcement made to the market on 30 August 2024 regarding the EdenCrete® Pz/Pz7 and OptiBlend® product range update, the directors forecast continued sales growth over the next 12-24 month period from the date of this report.

In addition, the directors forecast an overall positive gross margin on the sale of EdenCrete® Pz/Pz7 and OptiBlend® in the 12-month period from the date of this report which would reduce the Group's reliance on the need for additional external funding.

**Proposed Capital Raising**

Notwithstanding the fact the directors have not yet signed any agreements to engage brokers to raise additional capital, as a result of anticipating a positive market response to progress in increasing product sales and reduction of debt and operating costs, the directors believe that the Company has the ability to obtain additional funding via a capital raising and/or rights issues during the forthcoming 12-month period.

**Ongoing Financial Support**

The Company has received confirmation that:

- related parties will defer cash settlement of liabilities (such as director fees) outstanding as at 30 June 2024 disclosed in Note 9 and during the forthcoming 12 month period to ensure that third party and other liabilities can be settled as and when they fall due in line with the Group's cashflow forecast;
- in addition to having provided in excess of \$5,400,000 over the past 18 months in funding to the Group, director-owned entities will endeavour to continue to provide financial support to the Group to ensure that third party and other liabilities can be settled as and when they fall due in line with the Group's cashflow forecast; and

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

## NOTE 1: STATEMENT OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

## Basis of Preparation (Continued)

- Tasman Resources Limited, through its wholly owned subsidiary Noble Energy Pty Ltd, will not call in the loan of \$4,065,958 disclosed in Note 17 until such time as the Group has sufficient financial resources to be able to settle the loan without impacting its ability to settle third party and other liabilities as and when they fall due. This will not prevent Tasman Resources Limited, in its discretion, from agreeing to discharge all or some of this loan by the Company issuing shares in the Company to Noble Energy Pty Ltd in lieu of the Company repaying the loan in cash.

## iBorrow Financing Facility

As noted above, the directors are of the opinion that settlement of the Georgia Property will occur in December 2024 or January 2025 and anticipate that settlement of the Mead Way Property is reasonably likely to occur in January 2025 or February 2025 to enable the Group to discharge the iBorrow financing facility in full when it becomes due on 7 February 2025. However, and notwithstanding that the directors have not entered into any formal discussion with iBorrow or alternative financing providers, the directors are of the opinion that should settlement of one or both of the properties be delayed, the Company is reasonably likely to be able to renegotiate the iBorrow settlement date or refinance through a different financier to ensure that the Group continues as a going concern and third party and other liabilities can be settled as and when they fall due.

In order to continue as a going concern for a period of at least 12 months from the date of this report, in addition to receiving continued financial support from entities related to the directors or raising funds from another source, it is fundamental that the sale of the Georgia Property and Mead Way Property occur within the time frame and at an amount that enables the Group to discharge most or all of its obligations to iBorrow, or alternatively that the Group is able to renegotiate settlement or otherwise repay or refinance its iBorrow facility due on 7 February 2025.

Should the Group not achieve the matters described above, and specifically the points noted in the preceding paragraph, there are material uncertainties 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 consolidated financial statements. The 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.

## 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 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 14. 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 year ended 30 June 2024.

*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.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

## NOTE 1: STATEMENT OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

## Accounting policies (continued)

*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

**a. Principles of Consolidation**

A controlled entity is any entity the Company is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. A list of controlled entities is contained in Note 24 to the financial statements.

All inter-company balances and transactions between entities in the Group, including any unrealised profits or losses, have been eliminated on consolidation. Accounting policies of subsidiaries have been changed where necessary to ensure consistencies with those policies applied by the Company.

**b. Income Tax**

The charge for current income tax expense is based on the profit for the year adjusted for any non-assessable or disallowed items. It is calculated using the tax rates that have been enacted or are substantially enacted by the balance sheet date.

Deferred tax is accounted for using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss. Deferred income tax assets are recognised to the extent that it is probable that future tax profits will be available against which deductible temporary differences can be utilised.

Eden Innovations Ltd, and Eden Energy Holdings Pty Ltd, its wholly-owned Australian subsidiaries, have formed an income tax consolidated group under the tax consolidation regime. The Group notified the Australian Tax Office that it had formed an income tax consolidated group to apply from 1 July 2005. The tax consolidated group has entered a tax sharing agreement whereby each company in the group contributes to the income tax payable in proportion to their contribution to the net profit before tax of the tax consolidated group.

**c. Inventories**

Inventories are measured at the lower of cost and net realisable value. The cost of manufactured products includes direct materials, direct labour and an appropriate portion of variable and fixed overheads. Costs are assigned on the basis of first-in, first-out.

**d. Segment reporting**

Segment results that are reported to the Group's board of directors (the chief operating decision maker) include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

**e. Employee Benefits**

Provision is made for the Group's liability for employee benefits arising from services rendered by employees to reporting date. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs.

**f. Revenue**

Revenue is recognised when or as the Group transfers control of products or provides services to a customer at the amount to which the Group expects to be entitled as the performance obligation is met. If the consideration includes a variable component, the expected consideration is adjusted for the estimated impact of the variable component at the point of recognition and re-estimated at every reporting period. Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

**g. Plant and Equipment**

Each class of property, plant and equipment is carried at cost less, where applicable, any accumulated depreciation and impairment losses, with the exception of land and buildings which are carried at fair value.

Property, plant and equipment are initially recognised at acquisition cost or manufacturing cost, including any costs directly attributable to bringing the assets to the location and condition necessary for it to be capable of operating in the manner intended by the Group's management.

The carrying amount of property, plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount of these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the asset's employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

## NOTE 1: STATEMENT OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

The depreciation rates used for each class of depreciable assets are:

Class of Fixed Asset	Depreciation Rate
Plant and equipment	6 – 33% straight line
Buildings	4% straight line
Land	Nil

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the statement of profit or loss and other comprehensive income. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

**h. Non-current assets or disposal groups classified as held for sale**

Non-current assets and assets of disposal groups are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continued use. They are measured at the lower of their carrying amount and fair value less costs of disposal. For non-current assets or assets of disposal groups to be classified as held for sale, they must be available for immediate sale in their present condition and their sale must be highly probable.

An impairment loss is recognised for any initial or subsequent write down of the non-current assets and assets of disposal groups to fair value less costs of disposal. A gain is recognised for any subsequent increases in fair value less costs of disposal of a non-current assets and assets of disposal groups, but not in excess of any cumulative impairment loss previously recognised.

Non-current assets are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of assets held for sale continue to be recognised. Non-current assets classified as held for sale and the assets of disposal groups classified as held for sale are presented separately on the face of the statement of financial position, in current assets. The liabilities of disposal groups classified as held for sale are presented separately on the face of the statement of financial position, in current liabilities.

**i. Financial Instruments**

**Initial recognition and measurement**

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the financial instrument. Financial assets are initially measured at fair value adjusted for transaction costs.

Classification and subsequent measurement

For the purpose of subsequent measurement, financial assets are classified into the following categories:

- amortised cost
- fair value through profit or loss (FVTPL)
- equity instruments at fair value through other comprehensive income (FVOCI)
- debt instruments at fair value through other comprehensive income (FVOCI).

All income and expenses relating to financial assets and financial liabilities that are recognised in profit or loss are presented within finance costs, finance income or other financial items. The classification is determined by both the Group's business model for managing the financial asset and the contractual cash flow characteristics of the financial asset.

Financial assets are measured at amortised cost if the assets meet the following conditions (and are not designated as FVTPL):

- they are held within a business model whose objective is to hold the financial assets to collect its contractual cash flows
- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial recognition, these are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial. The Group's cash and cash equivalents, trade and most other receivables fall into this category of financial instruments.

Financial liabilities are measured at current face value, plus any interest earned but not paid at the reporting date. Interest, Insurance, and Tax reserves initiated as an obligation under the financial arrangements, are measured and reported as assets separate from the relevant financial liability.

Trade and other receivables

The Group makes use of a simplified approach in accounting for trade and other receivables and records the loss allowance as lifetime expected credit losses. These are the expected shortfalls in contractual cash flows, considering the potential for default at any point during the life of the financial instrument. In calculating, the Group uses its historical experience, external indicators and forward-looking information to calculate the expected credit losses.

Classification and measurement of financial liabilities

The Group's financial liabilities include trade and other payables and borrowings. Financial liabilities are initially measured at fair value, and, where applicable, adjusted for transaction costs.

Subsequently, financial liabilities are measured at amortised cost using the effective interest method. All interest-related charges and, if applicable, changes in an instrument's fair value that are reported in profit or loss are included within finance costs or finance income.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

## NOTE 1: STATEMENT OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

**Derecognition**

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and substantially all the risks and rewards are transferred.

A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

**Impairment**

The Group recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss.

**j. Impairment of Assets**

At each reporting date, the Group reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the statement of profit or loss and other comprehensive income.

Impairment testing is performed annually for goodwill and intangible assets with indefinite lives.

Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

**k. Intangibles****Research and development**

Expenditure during the research phase of a project is recognised as an expense when incurred. Development costs are capitalised only when technical feasibility studies identify that the project will deliver future economic benefits and these benefits can be measured reliably.

Development costs have a finite life and are amortised on a systematic basis matched to the future economic benefits over the useful life of the project.

**Intellectual Property**

Intellectual property, which includes trademarks and engineering knowledge, is included in the financial statements at cost.

Intellectual property and trademarks are only amortised or written down where the useful lives are limited or impaired by specific circumstances, in such cases amortisation is charged on a straight-line basis over their useful lives and write downs are charged fully when incurred.

The directors have assessed the useful life of the intellectual property and have determined that it has a finite useful life of 10 to 20 years. The intellectual property is amortised on a systematic basis matched to the expected future economic benefits over the useful life of the project.

**l. Foreign Currency Transactions and Balances****Functional and presentation currency**

The functional currency of each of the Group's entities is measured using the currency of the primary economic environment in which that entity operates. The consolidated financial statements are presented in Australian dollars which is the Company's functional and presentation currency.

**Transaction and balances**

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the year-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined.

Exchange differences arising on the translation of monetary items are recognised in the statement of profit or loss and other comprehensive income.

**Group companies**

The financial results and position of foreign operations whose functional currency is different from the Group's presentation currency are translated as follows:

- assets and liabilities are translated at year-end exchange rates prevailing at that reporting date;
- income and expenses are translated at average exchange rates for the financial year; and
- retained earnings are translated at the exchange rates prevailing at the date of the transaction.

Exchange differences arising on translation of foreign operations are transferred directly to the Group's foreign currency translation reserve in the balance sheet. These differences are recognised in the statement of profit or loss and other comprehensive income in the period in which the operation is disposed. Intercompany loans are treated as investments for foreign currency translation purposes.



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

## NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

m. **Equity-settled compensation**

The Group has a number of agreements with its employees to provide retention incentives, which replaced the performance rights plan previously in place.

The total amount to be expensed over the vesting period is determined by reference to the higher of the performance rights that were replaced or fair value of the shares to be issued, being the share price on 27 May 2022.

For employees that had not participated in the outgoing Performance Rights plan, the shares are valued at the vesting date (being the date upon which the employee provided their acceptance). The total shares to be issued under the agreement are then split into the number of tranches specific to the agreement. The related expense for each tranche is then spread over the relevant retention period until it becomes due and payable. Under the circumstance where the employee is no longer employed by the Company, any accrued expenditure is reversed in the period when their employment is terminated, and any future tranches are cancelled.

n. **Finance Costs**

Interest costs are accrued relevant to the period in which a debt is payable and the relevant expense is recognised in the Profit and Loss statement. Debt setup costs, valuation costs, relevant legal and settlement agent costs are capitalised and amortised over the contract period relevant to the debt instrument.

o. **Earnings Per Share**

Earnings per share is calculated by dividing the profit or loss before comprehensive income by the weighted average number of ordinary shares on issue for the relevant period.

p. **Comparative Figures**

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

q. **Ordinary shares**

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity.

r. **New accounting standards and interpretations**

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 year. New standards not yet effective 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.

s. **Critical Accounting Estimates and Judgments**

The directors evaluate estimates and judgments incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Group.

*Key Estimates — Impairment*

The Group assesses impairment of finite intangible assets and property, plant & equipment at each reporting date by evaluating conditions specific to the Group that may lead to impairment of assets. During the prior period, the Group noted impairment indicators and impaired its intangible assets consistent with the requirements of AASB136 *Impairment of Assets*. Details of the impairment are detailed in note 15 to the financial statements.

There is a significant risk of actual outcomes being different from those forecasted due to changes in economic or market conditions and events.

*Key Estimates**Share-based payment transactions*

The Group measures the cost of equity settled transactions with suppliers and employees by reference to the fair value of the equity instruments as at the date at which they are granted. The fair value is determined using a Black-Scholes model. Refer to Note 4b.

*Deferred Tax*

The Group measures its deferred tax assets consistent with AASB112 *Income Taxes*. Deferred tax assets have not been brought to account as it is not probable within the immediate future that tax profits will be available against which deductible temporary differences and tax losses can be utilised. The benefit of the tax losses will only be obtained if the Group complies with conditions imposed by the relevant tax legislation.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

		2024 \$	2023 \$
<b>NOTE 2: REVENUE</b>			
Operating activities			
EdenCrete® sales	USA	1,060,545	1,198,976
	India	-	79,630
		1,060,545	1,278,606
OptiBlend® sales and services	USA	535,730	730,143
	India	420,365	2,692,381
		956,095	3,422,524
Total revenue		2,016,640	4,701,130

All revenue is measured at a point in time as defined by *AASB 15 Revenue from Contracts with Customers*.

**NOTE 3: OTHER INCOME**

Interest	171,496	49,393
Bank Charges refund	-	121
Total other income	171,496	49,514

**NOTE 4: EMPLOYEE BENEFITS****a. Employee benefits expense**

Expenses recognised for employee benefits are analysed below:

Short-term employee benefits	(3,074,965)	(3,689,844)
Post-employment benefits	(133,401)	(333,627)
Share-based payments	(69,897)	(170,705)
Total	(3,278,263)	(4,194,176)

**b. Share-based Employee Remuneration**

Included under employee benefits expense in the statement of profit or loss and other comprehensive income is \$69,897 (2023: \$170,705) which relates, in full, to equity settled share-based payment transactions. Nil relates to options (2023: Nil), \$69,897 relates to shares (2023: \$170,705) and Nil relates to performance rights (2023: \$nil).

**Options**

All options granted to personnel were over ordinary shares in Eden Innovations Ltd, which confer a right of one ordinary share for every option held. When issued, the shares carry full dividend and voting rights.

	2024		2023	
	Number of Options	Weighted Average Exercise Price \$	Number of Options	Weighted Average Exercise Price \$
Outstanding at the beginning of the year	-	-	1,000,000	0.065
Granted	-	-	-	-
Exercised	-	-	-	-
Lapsed	-	-	(1,000,000)	0.065
Outstanding at year-end	-	-	-	-
Exercisable at year-end	-	-	-	-

No options were exercised during the year ended 30 June 2024.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

	2024 \$	2023 \$
<b>NOTE 5: OTHER FINANCIAL ITEMS</b>		
Expense related to Provision for Expected Credit Loss	176,332	-
Foreign exchange gain / (loss)	776	11,916
Total	175,556	11,916

**NOTE 6: AUDITORS' REMUNERATION**

Remuneration of the auditor of the parent entity for:

— auditing or reviewing the financial report	77,800	72,900
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Remuneration of other auditors of subsidiaries for:

— auditing or reviewing the financial report	140,340	77,041
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**NOTE 7: EARNINGS PER SHARE (EPS)**

Basic/ Diluted loss per share (cents per shares)	(0.2167)	(0.6437)
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a. Reconciliation of earnings to profit or loss

Loss	(7,549,081)	(17,868,715)
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Earnings used to calculate basic EPS	(7,549,081)	(17,868,715)
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b. Weighted average number of ordinary shares outstanding during the year used in calculating basic EPS

3,484,487,052	2,775,885,463
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The options on issue are not potentially dilutive shares.

**NOTE 8: INCOME TAX BENEFIT**

a. The prima facie tax on loss from ordinary activities before income tax is reconciled to the income tax as follows:

Prima facie tax payable on loss from ordinary activities before income tax at 25% (2023: 25%)	(1,887,270)	(4,467,179)
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Add tax effect of:

— Non-deductible expenses	17,474	2,587,698
— Current year tax losses not recognised	1,794,601	1,475,823

Less tax effect of:

— Difference in overseas tax rates	75,195	403,658
— Current year temporary differences not recognised	-	-

Income tax expense/(benefit)	-	-
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b. Components of deferred tax

— Unrecognised deferred tax asset – losses	33,803,737	32,009,136
— Property, Plant & Equipment	(1,449,356)	(1,261,518)
— Capital raising costs	312,508	229,961
— Stock compensation	536,125	531,557
— Provisions and accruals	123,860	122,247
— Intangibles	(2,697,723)	(2,616,892)

Total unrecognised deferred tax asset	30,629,151	29,014,491
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Deferred tax assets have not been brought to account as it is not probable within the immediate future that tax profits will be available against which deductible temporary differences and tax losses can be utilised. The benefit of the tax losses will only be obtained if the Group complies with conditions imposed by the relevant tax legislation.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

	2024	2023
	\$	\$

**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. Full details of key management personnel remuneration can be found in the remuneration report on page 23.

Loan proceeds and accrued interest, net of equity conversions, payable to Noble Energy Pty Ltd, a wholly owned subsidiary of Tasman Resources Ltd, a company which holds 28.26% of the shares in Eden Innovations Ltd. At year end, \$4,065,958 was payable (2023: \$490,000)	3,575,958	490,000
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**Key Management Personnel**

Management fees paid/payable to Princebrook Pty Ltd, a company in which Mr GH Solomon and Mr DH Solomon have an interest. At year end, \$500,000 was payable (2023: \$200,000).	300,000	300,000
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Legal fees paid to Solomon Brothers, a firm in which Mr GH Solomon and Mr DH Solomon are partners. At year end, nil was payable (2023: \$nil).	36,574	26,041
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Sale of EdenCrete to Dr Allan Godsk Larsen for personal use. At year end, nil was payable (2023: \$nil)	1,303	-
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**NOTE 10: CASH AND CASH EQUIVALENTS**

Cash at bank and in hand	975,196	2,534,969
	975,196	2,534,969

**Reconciliation of cash**

Cash at the end of the financial year as shown in the statement of cash flows is reconciled to the consolidated statement of financial position as follows:

Cash and cash equivalents	975,196	2,534,969
	975,196	2,534,969

**NOTE 11: TRADE AND OTHER RECEIVABLES**

Trade Receivables	622,168	252,595
Provision for Expected Credit Loss of Trade Receivables	(176,332)	-
Other receivables	49,899	23,118
	495,735	275,713

**NOTE 12: INVENTORIES**

At cost	2,132,542	2,480,112
	2,132,542	2,480,112

**NOTE 13: ASSETS HELD FOR SALE**

At cost	1,952,244	1,952,244
Less Depreciation	(95,582)	(95,582)
Carrying amount at 30 June 2024	1,856,662	1,856,662

Assets classified as held for sale are represented at the lower of cost or realisable value consistent with IFRS 5. In September 2024, the Group accepted a conditional offer on its Augusta, Georgia property of USD\$5million (AUD\$7.494Million) (refer note 27).

Subsequent to the reporting year, the Group also proceeded to market its Mead Way Littleton, Colorado property for sale.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

## NOTE 14: PROPERTY, PLANT AND EQUIPMENT

	Land and buildings	Plant and equipment	Total
<b>Cost</b>			
Balance 1 July 2023	5,460,764	8,331,398	13,792,162
Additions	-	42,860	42,860
Revaluation of Land and Buildings <sup>1</sup>	3,623,563	-	3,623,563
Disposals	-	-	-
Net exchange differences	(208,765)	(50,893)	(259,658)
Balance 30 June 2024	8,875,562	8,323,365	17,198,927
<b>Depreciation and impairment</b>			
Balance 1 July 2023	(1,338,606)	(3,910,449)	(5,249,055)
Depreciation	(222,342)	(610,553)	(832,895)
Revaluation of Land and Buildings	1,455,917	-	1,455,917
Disposals	-	-	-
Net exchange differences	(58,818)	34,232	(24,586)
Balance 30 June 2024	(163,849)	(4,486,770)	(4,650,619)
Carrying amount at 30 June 2024	8,711,713	3,836,595	12,548,308
<b>Cost</b>			
Balance 1 July 2022	7,134,307	7,918,518	15,052,825
Additions	-	102,306	102,306
Reclassified as Assets Held for Sale (see Note 13)	(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
<b>Depreciation and impairment</b>			
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 (see Note 13)	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 \$42,860 (2023: \$102,306) have been included in cash flows from investing activities in the statement of cash flows for the Group.

<sup>1</sup> 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. As required by *IAS16 Property, Plant and Equipment*, the Directors reviewed the fair value of Land and Buildings at the end of the reporting period to determine if any fair value adjustment is required. The directors were in receipt of an appraisal for the Mead Way, Littleton Colorado property as part of its consideration for sale, and considered recent sales in the Littleton Colorado area in comparison to the Company's properties. Based on the market analysis and appraisal information verifying the current valuations, it was determined that no material difference could be identified since the formal valuation undertaken in October 2023 and as such no adjustment to fair value was required at the reporting date.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

**NOTE 15: INTANGIBLE ASSETS**

	2024 \$	2023 \$
Intellectual property	23,490,972	23,068,198
Accumulated amortisation	(3,591,861)	(3,068,844)
Accumulated impairment expenses	(19,608,609)	(19,608,607)
Net carrying value	290,502	390,747
Balance at the beginning of the year	390,747	9,987,272
Additions	422,774	838,621
Amortisation expense	(523,019)	(255,059)
Impairment expense	-	(10,180,087)
Carrying amount at the end of the year	290,502	390,747

Intellectual property relates to pyrolysis technology, EdenCrete®, EdenPlast™ and OptiBlend®. Capitalised costs amounting to \$543,928 (2023: \$952,892) have been included in cash flows from investing activities as Research and Development expenditure in the statement of cash flows.

During the reporting year, the Company performed relevant impairment testing of its EdenCrete® cash-generating unit, consistent with impairment indicators as noted by *AASB136 Impairment of Assets* 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 15.33%.
- Revenue forecasts based on current year revenue, pipeline clientele and projections of 44% per annum growth.

The Company assessed that the recoverable value of its CGU had not improved during the current period, and as a result the impairment charges undertaken from the prior period has not been reversed.

The Group's remaining intangible assets remain under development as at 30 June 2024.

**NOTE 16: TRADE AND OTHER PAYABLES**

Trade payables and other payables	1,871,283	1,166,511
	1,871,283	1,166,511

Refer to note 29 for further information on financial instruments.

**NOTE 17: INTEREST BEARING LIABILITIES**

Noble Energy Pty Ltd (Unsecured, 9.97% interest rate, denominated in AUD, at call)	4,065,958	490,000
iBorrow REIT, LP Loan (Secured over all 3 properties, 9.75% interest rate, denominated in USD, extended to 7 February 2025)	8,684,699	9,678,878
SBA Loan (Unsecured, 1% interest rate, denominated in USD, due April 2025)	40,373	
Total current portion	12,791,030	10,168,878
SBA Loan (Unsecured, 1% interest rate, denominated in USD, due 2025)	-	40,617
Total non-current portion	-	40,617
Total	12,791,030	10,209,495
Opening Balance	10,209,495	4,911,084
Proceeds from borrowing, net of borrowing costs	4,175,000	9,220,905
Repayment of borrowings	(973,043)	(5,070,650)
Borrowing costs expensed	11,149	739,915
Accrued Interest payable at the end of the year	280,958	-
Share based repayment of borrowings	(880,000)	-
FX (gain) / loss	(32,528)	408,241
Closing balance	12,791,030	10,209,495

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

## NOTE 18: PROVISIONS

	2024	2023
	\$	\$
Provisions for staff entitlements and warranties	149,506	150,438
Provision for tax (foreign jurisdiction)	75,793	560,662
	<u>225,299</u>	<u>711,100</u>

## NOTE 19: ISSUED CAPITAL

	2024	2023	2024	2023
	No.	No.	\$	\$
<b>a. Ordinary shares</b>				
At the beginning of the year	2,996,944,406	2,485,452,995	124,598,898	121,603,612
Shares issued during the year (net of costs)	681,300,935	511,470,886	1,737,806	2,994,644
Shares issued through exercise of options	25,774	20,525	929	642
At reporting date	<u>3,678,271,115</u>	<u>2,996,944,406</u>	<u>126,337,633</u>	<u>124,598,898</u>

- 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.

	2024	2023
	No.	No.
<b>b. Options</b>		
At the beginning of the year	432,345,871	246,535,140
Options issued	390,000,000	236,375,000
Options exercised	(25,774)	(20,525)
Options lapsed	(6,850,762)	(50,543,744)
At reporting date	<u>815,469,335</u>	<u>432,345,871</u>

Of the 390,000,000 options issued during the year, 60,000,000 EDEOD options (Broker Options) were issued to brokers in respect of the September 2023 placement. The Broker Options were valued using the Black-Scholes method and based on the share price and RBA interest (risk free rate) at the grant date, exercise price of the options and duration of the options to the last date for exercising.

**c. Capital Management**

Management controls the working capital of the Group in order to maximise the return to shareholders and ensure that the Group can fund its operations and continue as a going concern. Management effectively manages the Group's capital by assessing the Group's financial risks and adjusting its capital structure in response to changes in these risks and in the market. These responses include the management of expenditure and share issues. There have been no changes in the strategy adopted by management to control the capital of the Group since the prior year.

## NOTE 20: CONTINGENT LIABILITIES AND CONTINGENT ASSETS

The Directors are not aware of any contingent assets or contingent liabilities at 30 June 2024.



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

## NOTE 21: CASH FLOW INFORMATION

## Reconciliation of Cash Flow from Operations with Loss after Income Tax

Loss after income tax	(7,549,081)	(17,868,715)
Non-cash flows in loss		
Depreciation and amortisation	1,352,409	1,103,765
Impairment expense	-	10,180,087
Share-based payments expense	69,897	170,705
Research and Development Costs	121,155	-
Interest reserve / accrued interest	280,958	1,038,563
Financing costs expensed	-	739,916
Doubtful debt provision	176,332	-
Net exchange differences	(777)	(11,916)
(Increase)/decrease in trade and other receivables	(369,573)	477,884
(Increase)/decrease in inventories	347,570	83,232
(Increase)/decrease in other current assets	121,246	(758,210)
Increase/(decrease) in trade payables and accruals	704,772	216,847
Increase/(decrease) in provisions	(485,801)	493,556
Increase/(decrease) in other liabilities	6,192	(32,777)
Cash flow from operations	(5,224,701)	(4,167,063)

## NOTE 22: CAPITAL AND LEASING COMMITMENTS

## a. Capital Expenditure Commitments

The Group has no Capital Expenditure Commitments

## b. Other Commitments

Other than as disclosed in Note 16 to the Financial Statements, the Group has no other commitments.

## NOTE 23: RESERVES

## a. Share-based Payment Reserve

The share-based payment reserve records items recognised as expenses on valuation of employee and contractor incentive shares and directors fees that are part settled by way of shares. Refer to Note 4a for further details of employee's share based payments, and Note 4b for options.

The share-based payment reserve has been accounted consistent with the valuation methodology described in Note 1 (m) to the financial statements.

## b. Foreign Currency Translation Reserve

The foreign currency translation reserve records exchange differences arising on the translation of foreign subsidiaries.

## NOTE 24: CONTROLLED ENTITIES

a. Controlled Entities	Country of Incorporation	Percentage Owned (%)*	
		2024	2023
Eden Innovations (India) Pvt Ltd	India	100	100
Eden Energy Holdings Pty Ltd	Australia	100	100
Eden Innovations LLC	USA	100	100
Eden Real Estate LLC	USA	100	100
EdenCrete Industries Inc.	USA	100	100

\* Percentage of voting power is in proportion to ownership

## b. Acquisition of Controlled Entities

No entities were acquired during the year.

## c. Disposal of Controlled Entities

No entities were wound up during the year.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

## NOTE 25: COMPANY DETAILS

The registered office of the company is:

Eden Innovations Ltd  
Level 15  
197 St Georges Terrace  
Perth Western Australia 6000

The principal place of business is:

Eden Innovations Ltd  
Level 15  
197 St Georges Terrace  
Perth Western Australia 6000

## NOTE 26: PARENT COMPANY INFORMATION

	2024	2023
	\$	\$
a. <b>Assets</b>		
Current assets	57,306	375,249
Non-current assets (includes loans to and investment in subsidiaries of \$7,643,372) <sup>1</sup>	9,449,826	5,496,012
Total Assets	9,507,132	5,871,261
<b>Liabilities</b>		
Current liabilities	5,529,203	1,142,507
Total liabilities	5,529,203	1,142,507
<b>Net Assets</b>	3,977,929	4,728,754
<b>Equity</b>		
Issued Capital	126,337,633	124,662,898
Retained Earnings	(131,480,906)	(128,740,277)
Share-based payment reserve	9,121,202	8,806,133
Total Equity	3,977,929	4,728,754
<b>Financial performance</b>		
Profit / (Loss) for the year <sup>2</sup>	(2,740,629)	(17,906,199)
Other comprehensive income, net of tax	-	-
Total comprehensive income / (Loss)	(2,740,629)	(17,906,199)

- The loans to and investment in subsidiaries have been assessed for impairment and an impairment expense of \$349,060 (2023: \$5,330,447) has been recognised. It is anticipated that the balance of these loans to and investment in subsidiaries will be recovered through the successful commercialisation of EdenCrete® and OptiBlend® by the subsidiary companies.
- Consistent with *AASB136 Impairment of Assets*, the Company assessed that the recoverable value of its CGU was less than its carrying value at the reporting date and accordingly a non-cash impairment of \$nil (2023: \$10,180,087) was recognised against its intangible assets (refer Note 15). 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.

b. **Contingent assets and liabilities**

The Directors are not aware of any contingent assets or contingent liabilities of the parent company at 30 June 2024.

c. **Capital expenditure commitments**

The parent company has no capital expenditure commitments

d. **Material Accounting Policies**

The parent company applies the same accounting policies as those noted for the Group at Note 1 to the Financial Statements

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024****NOTE 27: EVENTS AFTER THE BALANCE SHEET DATE**

On 5 July 2024, the Company issued 28,837,548 new Ordinary shares to Dr Allan Godsk Larsen in respect of part settlement of non-executive Directors fees relating to the financial year ending 30 June 2024.

On 8 July 2024, the Group's appointed realtor commenced marketing of the Group's property for sale at Mead Way Littleton Colorado USA as announced to the ASX on 21 June 2024.

On 9 July 2024, the Company issued 6,600,000 new Ordinary shares to nominees of CoPeak Pty Ltd (Peak Asset Management) in respect of investor relations services provided to the Company in the financial year ending 30 June 2024.

On 2 August 2024, the Company's Pro-Rata Non-renounceable Rights Issue (Issue) closed to eligible shareholders as announced to the ASX on 7 June 2024. Subsequently, 394,500,718 new Ordinary shares, and 197,250,419 new EDEOD options were allotted in respect of the \$789,002 funds raised under the Issue.

On 7 August 2024, the Company announced an extension to the iBorrow Loan facility for a period of 6 months, ending on 7 February 2025.

On 30 August 2024, the Group announced a US Sales and Market update, which noted a 74% increase to historical average for the sales of EdenCrete and OptiBlend products in the USA in the months ending July and August 2024.

On 16 September 2024, the Group announced it had accepted a conditional offer for the sale of its Augusta, Georgia industrial property for USD \$5million (AUD\$7.494million).

On 7 October 2024, the Company's unexercised EDEO listed options expired.

No other matters or circumstances have arisen since the end of the financial 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.

**NOTE 28: SEGMENT REPORTING**

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.
- Eden Innovations (India) Pvt Ltd – OptiBlend® sales, service and manufacturing in India.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

NOTE 28: SEGMENT REPORTING (CONTINUED)

	Eden Innovations LLC	Eden Innovations India Pvt Ltd	Eliminations	Consolidated
	\$	\$	\$	\$
<b>2024</b>				
External sales	1,593,656	422,984	-	2,016,640
Internal sales	121,154	-	(121,154)	-
Total segment revenue	1,714,810	422,984	(121,154)	2,016,640
Segment Result	(4,691,478)	(44,538)	-	(4,736,016)
Unallocated expenses				(1,266,643)
Result from operating activities				(6,002,659)
Finance costs				(1,370,089)
Loss before income tax				(7,372,748)
Income tax benefit				-
Loss after income tax				(7,372,748)
Segment assets	17,505,983	1,612,807		19,118,790
Unallocated assets				131,860
Total assets				19,250,650
Segment liabilities	9,444,093	123,093	-	9,567,186
Unallocated liabilities				5,529,203
Total liabilities				15,096,389
Capital expenditure	38,635	4,225	-	42,860
Revaluation of Land and Buildings	5,079,480	-	-	5,079,480
Depreciation and amortisation	831,268	1,627	519,514	1,352,409
Impairment expense				-
<b>2023</b>				
External sales	1,929,119	2,772,011	-	4,701,130
Internal sales	252,112	68,811	(320,923)	-
Total segment revenue	2,181,231	2,840,822	(320,923)	4,701,130
Segment Result	(6,131,553)	1,320,701	-	(4,810,854)
Unallocated expenses				(11,376,657)
Result from operating activities				(16,187,510)
Finance costs				(1,681,205)
Loss before income tax				(17,868,715)
Income tax benefit				-
Loss after income tax				(17,868,715)
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
Depreciation and amortisation	862,321	(2,582)	244,026	1,103,765
Impairment expense				10,180,087

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

## NOTE 29: FINANCIAL INSTRUMENTS

## a. Financial Risk Exposures and Management

The main risks the Group is exposed to through its financial instruments are liquidity risk and credit risk.

## i. Liquidity Risk

The Group manages liquidity risk by monitoring forecast cash flows and ensuring that adequate funding is maintained. Until the Group's cashflows from product sales exceed the cash outflows of the Group, the Group will continue to rely on raising additional funds through the sale of its properties, raising capital through the issue of additional securities, or extension or refinancing of the Group's financial liabilities. (refer Note 1 – Going concern)

The remaining contractual maturities of the Group financial liabilities are:

	2024 \$	2023 \$
12 months or less		
Trade and other payables	1,871,283	1,166,511
Principal (interest bearing liabilities)	12,791,030	10,168,878
Net Prepaid Interest and Amortised deferred borrowing costs	(335,876)	(850,938)
Total	14,326,437	10,484,451
1 year or more		
Principal	-	40,617
Future Interest	-	730
Total	-	41,347
Total	14,326,437	10,525,798

## ii. Credit risk

Credit risk refers to the risk that the counterparty will default on its contractual obligations resulting in a financial loss to the company. The Group has adopted a policy of only dealing with credit worthy counterparties and obtaining sufficient collateral or other security where appropriate, as a means of mitigating the risk of financial loss from defaults.

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets, is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the balance sheet and notes to the financial statements.

The Group does not have any material credit risk exposure to any single receivable or group of receivables under financial instruments entered into by the company.

## iii. Foreign currency risk

The Group is exposed to fluctuations in foreign currencies arising from the sale and purchase of goods and services in currencies other than the companies' functional currency. The risk is measured using sensitivity analysis and cash flow forecasting. At 30 June 2024, the effect on the loss, equity and cash and cash equivalents as a result of a 10% increase in the exchange rates, with all other variables remaining constant would be a decrease in loss by approximately \$474,101 (2023: decrease of loss of \$485,000), a decrease in equity by approximately \$453,000 (2023: \$520,000), and an increase of cash and cash equivalents of \$97,520 (2023: \$253,497). A 10% decrease in the exchange rates would result in an equal and opposite impact on the loss after tax, equity and cash and cash equivalents.

## iv. Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The group's minimal exposure to interest rate risk, the only asset / liability affected by changes in market interest rates is Cash and cash equivalents. The Interest-Bearing Liabilities of the Group are mostly fixed rate and will not fluctuate beyond 0.5% because of changes in market interest rates.

## b. Financial Instruments

## Net Fair Values

The aggregate net fair values of financial assets and financial liabilities, at the balance date, are approximated by their carrying values.

CONSOLIDATED ENTITY DISCLOSURE STATEMENT

Entity Name	Entity Type	Place formed / Incorporated	Percentage Owned (%)	Tax Residency
Eden Innovations Ltd	Body Corporate	Australia	N/A	Australia
Eden Innovations (India) Pvt Ltd	Body Corporate	India	100	India
Eden Energy Holdings Pty Ltd	Body Corporate	Australia	100	Australia
Eden Innovations LLC	Body Corporate	USA	100	USA
Eden Real Estate LLC	Body Corporate	USA	100	USA
EdenCrete Industries Inc.	Body Corporate	USA	100	USA

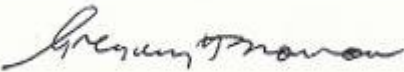
**DIRECTORS' DECLARATION**

In the opinion of the directors of Eden Innovations Ltd:

- a. The accompanying financial statements and notes thereto are in accordance with the *Corporations Act 2001*, including:
  - (i) giving a true and fair view of the Group's financial position as at 30 June 2024 and of its performance, for the financial year ended on that date; and
  - (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Regulations 2001*; and
  - (iii) complying with International Financial Reporting Standards as disclosed in Note 1.
- b. the remuneration disclosures that are contained in pages 23 to 26 of the Remuneration Report in the Directors' Report comply with Australian Accounting Standard AASB 124 Related Party Disclosures,
- c. the information disclosed in the attached consolidated entity disclosure statement is true and correct; and
- d. there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable.

The Directors have been given the declarations required by Section 295A of the *Corporations Act 2001* from the Executive Chairman and Chief Financial Officer for the financial year ended 30 June 2024.

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



Gregory H Solomon

Executive Chairman

Dated this 30th Day of October 2024



## Independent Auditor's Report to the Members of Eden Innovations Limited

### Report on the Audit of the Financial Report

#### Opinion

We have audited the financial report of Eden Innovations Limited (the "Company") and its subsidiaries (the "Group"), which comprises the consolidated statement of financial position as at 30 June 2024, the consolidated statement of profit and loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information, the consolidated entity disclosure statement and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

- (i) giving a true and fair view of the Group's financial position as at 30 June 2024 and of its performance for the year then ended; and
- (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

#### Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit 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 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 report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Material uncertainty relating to going concern

Without modifying our opinion, we draw attention to Note 1 to consolidated financial statements, which indicates that the Group recorded a loss during the year ended 30 June 2024 of \$2,740,629 (2023: \$17,906,199) a cash outflow from operating activities of \$5,224,701 (2023: \$4,167,063) and had a net working capital deficit of \$8,785,996 (2023: \$4,075,042) as at that date.

As stated in Note 1, in order for the Group to continue as a going concern for a period of at least 12 months from the date of this report, in addition to receiving continued financial support from entities related to the directors or raising funds from another source, it is fundamental that the sale of property in Augusta, Georgia, USA and the sale of property in Mead Way, Littleton, Colorado, USA occurs within the time frame and at an amount that enables the Group to discharge most or all of its obligations to iBorrow REIT, or alternatively that the Group is able to renegotiate settlement or otherwise repay or refinance its iBorrow REIT due on 7 February 2025.

#### Advisory. Tax. Audit.

ACN 145 447 105

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These events and conditions, along with other matters as set forth in Note 1, indicate the existence of material uncertainties that may cast significant doubt about the Group's ability to continue as a going concern and therefore the Group may be unable to realise its assets and discharge its liabilities in the normal course of business.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
<p><b>Revenue Recognition</b> (Refer to Note 2 to the Financial Report)</p> <p>Included in the Consolidated Statement of Profit or Loss and Other Comprehensive Income for the year ended 30 June 2024 is revenue of \$2,016,640 comprising sales of Edencrete ® and OptiBlend ®.</p> <p>All revenue has been recognised at a point in time in accordance with the requirements of AASB 15 <i>Revenue from contracts with customers</i> ("AASB 15").</p> <p>Revenue recognition was considered to be a key audit matter due to its significance to the Group's financial report and the judgment exercised by management in determining when revenue should be recognised.</p>	<p>Our procedures included, amongst others:</p> <ul style="list-style-type: none"> <li>• Obtaining an understanding of and evaluating the internal controls and processes relating to revenue recognition;</li> <li>• Testing a sample of sales, considering the terms and conditions and identification of the performance obligations in those arrangements, and assessing the accounting treatment under AASB 15;</li> <li>• Performing cut-off testing for a sample of sales to determine whether revenue had been recorded in the correct accounting period based on the contractual terms; and</li> <li>• Assessing the adequacy of the disclosures included within the financial report.</li> </ul>

### Other Information

The directors are responsible for the other information. The other information comprises the information in the Group's annual report for the year ended 30 June 2024, but does not include the financial report and the auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of the other information we are required to report that fact. We have nothing to report in this regard.

### Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of:

- a) the financial report (other than the consolidated entity disclosure statement) that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001*; and
- b) the consolidated entity disclosure statement that is true and correct in accordance with the *Corporations Act 2001*, and

for such internal control as the directors determine is necessary to enable the preparation of:

- i) the financial (other than the consolidated entity disclosure statement) report that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and
- ii) the consolidated entity disclosure statement that is true and correct and is free of misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

### **Auditor's Responsibilities for the Audit of the Financial Report**

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at The Australian Auditing and Assurance Standards Board website at:

[www.auasb.gov.au/admin/file/content102/c3/ar1\\_2020.pdf](http://www.auasb.gov.au/admin/file/content102/c3/ar1_2020.pdf).

This description forms part of our auditor's report.

### **Report on the Remuneration Report**

#### **Opinion on the Remuneration Report**

We have audited the Remuneration Report included in pages 23 to 26 of the Directors' Report for the year ended 30 June 2024.

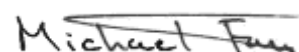
In our opinion, the Remuneration Report of Eden Innovations Limited for the year ended 30 June 2024 complies with section 300A of the *Corporations Act 2001*.

#### **Responsibilities**

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

NPAS

**Nexia Perth Audit Services Pty Ltd**



**Michael Fay**  
**Director**

Perth, Western Australia  
30 October 2024

## ADDITIONAL INFORMATION FOR LISTED PUBLIC COMPANIES

The following additional information is required by the Australian Securities Exchange Ltd.

## 1. Shareholding as at 18 October 2024

## a. Distribution of Shareholders

Category (size of holding)	Number	% Issued
	Ordinary	Capital
1 – 1,000	243	0.00%
1,001 – 5,000	627	0.05%
5,001 – 10,000	575	0.11%
10,001 – 100,000	2,488	2.55%
100,001 – and over	2,322	97.29%
	6,255	100.00%

b. The number of shareholdings held in less than marketable parcels is 4,752.

c. The names of the substantial shareholders listed in the holding company's register as at 18 October 2024 are:

Shareholder	Number
	Ordinary
Noble Energy Pty Ltd	1,393,566,971

## d. Voting Rights

The voting rights attached to each class of equity security are as follows:

Ordinary shares - Each ordinary share is entitled to one vote when a poll is called, otherwise each member present at a meeting or by proxy has one vote on a show of hands.

## e. 20 Largest Shareholders — EDE Ordinary Shares

Name	Number of Shares	% Issued Capital
1. Noble Energy Limited	1,393,566,971	33.92%
2. Arkenstone Pty Ltd <G H Solomon Family Inv A/C>	63,731,339	1.55%
3. Mr Philip Arthur Rogerson & Mrs Kathryn Gae Rogerson & Miss Christina Rogerson <The Rogerson Super Fund A/C>	60,296,439	1.47%
4. Dr Yoon Mei Ho	58,000,000	1.41%
5. Arkenstone Pty Ltd <The Gemma Clare Solomon Family A/C>	43,835,647	1.07%
6. Mrs Sharyn Elizabeth Farrell	38,570,083	0.94%
7. Elution Group Pty Ltd	37,458,795	0.91%
8. Mr Mathew William Brown	35,000,000	0.85%
9. March Bells Pty Ltd <Dh Solomon Family A/C>	34,122,875	0.83%
10. Mr Simon Robert Evans & Mrs Kathryn Margaret Evans <Kamiyacho Super Fund A/C>	28,000,000	0.68%
11. Mr Malcolm John McClure	24,005,310	0.58%
12. March Bells Pty Ltd	23,825,984	0.58%
13. Citicorp Nominees Pty Limited	20,929,542	0.51%
14. Mr Poh Seng Tan	20,000,000	0.49%
15. Est Mr Donal Francis O'sullivan	20,000,000	0.49%
16. 10 Bolivianos Pty Ltd	18,333,873	0.45%
17. BNP Paribas Nomineest Pty Ltd <IB AU NOMS RETAIL CLIENT>	16,245,503	0.40%
18. Mr Arash Doudman	15,828,432	0.39%
19. Green Mountains Investments Ltd	15,666,667	0.38%
20. Mr Nikhilkumar Kantilal Shah	15,601,000	0.38%
	1,983,018,460	48.27%

## ADDITIONAL INFORMATION FOR LISTED PUBLIC COMPANIES (CONT'D)

## 20 Largest Option holders — EDEOC Listed Options

Name	Number of Options	%
1. Noble Energy Limited	39,745,560	12.67%
2. Mr Donal Francis O'Sullivan	34,000,000	10.84%
3. Mr John Arthur Jarvis <John Jarvis Family A/C>	30,000,000	9.57%
4. Mr Michael Robert Bellamy	20,400,000	6.50%
5. Mr Daniel Aaron Hylton Tuckett	15,000,000	4.78%
6. Saba Nominees Pty Ltd <Saba A/C>	14,375,771	4.58%
7. Mr Julian Merse	11,384,616	3.63%
8. ABN AMRO Clearing Sydney Nominees Pty Ltd <Custodian A/C>	10,500,000	3.35%
9. Louis Holdings Pty Ltd <Louis Holdings A/C>	10,000,000	3.19%
10. Mr Karl Delfmann + Mrs Patricia Gaye Delfmann	8,086,130	2.58%
11. Pastro Holdings Pty Ltd	5,625,000	1.79%
12. Mr Albert Wijeweera	5,500,000	1.75%
13. Safinia Pty Ltd	5,000,000	1.59%
14. Evolution Capital Pty Ltd	4,822,709	1.54%
15. Aluba Pty Ltd <Aluba Superfund A/C>	4,500,000	1.43%
16. Finclear Services Pty Ltd <Superhero Securities A/C>	4,465,644	1.42%
17. Mr Robert Denis Taylor & Mrs Margaret Vivienne Taylor <RWT S/F A/C>	4,253,002	1.36%
18. Home Loans Pronto Pty Limited <Robert Charteris S/F A/C>	4,250,000	1.36%
19. Mr Christopher John Richards + Mrs Linnet Richards	4,140,126	1.32%
20. Mr Anthony William Olding + Mrs Caroline Anne Olding	4,000,000	1.28%
	<b>240,048,558</b>	<b>76.54%</b>

## 20 Largest Option holders — EDEOD Listed Options

Name	Number of Options	%
1. Noble Energy Limited	273,228,055	46.53%
2. 10 Bolivianos Pty Ltd	54,416,666	9.27%
3. K-Sum Capital Pty Ltd	12,500,000	2.13%
4. Mr Philip Arthur Rogerson & Mrs Kathryn Gae Rogerson & Miss Christina Rogerson <The Rogerson Super Fund A/C>	10,333,333	1.76%
5. Mr Russell M P Katz	10,166,666	1.73%
6. Hirsch Financial Pty Ltd	9,400,000	1.60%
7. Mr Simon Robert Evans & Mrs Kathryn Margaret Evans <Kamiyacho Super Fund A/C>	8,500,000	1.45%
8. Orca Capital Gmbh	8,333,334	1.42%
9. Mr Michael Robert Bellamy	7,999,999	1.36%
10. Mr Alexander John Fahey	7,834,167	1.33%
11. Green Mountains Investments Ltd	7,833,334	1.33%
12. Mrs Belinda Colubriale <Belinda Prioriello A/C>	7,050,000	1.20%
13. Blue Heeler Capital Pty Ltd	6,666,666	1.14%
14. Ludo Capital Pty Ltd	5,000,000	0.85%
15. Dr Yoon Mei Ho	5,000,000	0.85%
16. Mr Constandinos Kyrkou	5,000,000	0.85%
17. Pkt Springbrook Pty Ltd <Springbrook Family A/C>	4,700,000	0.80%
18. Dsl Trading Company Pty Ltd	4,700,000	0.80%
19. Szabo Investment Nominees Pty Ltd <Szabo Investments A/C>	4,700,000	0.80%
20. Bronzewing Holdings Pty Ltd	3,916,667	0.67%
<b>Totals</b>	<b>457,278,887</b>	<b>77.87%</b>





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