



Innovations that work.™

## ASX Quarterly Report

For the Quarter Ended 30 June 2022

### TOTAL GROUP SALES (A\$000's) for Q4 FY2022

	Sales 3 months to 30 June 22 A\$000's	Sales 3 months to 30 June 21 A\$000's	Sales % Change
EdenCrete®	581	294	+97%
OptiBlend®	572	635	-10%
<b>Total for Q4</b>	<b>1,153</b>	<b>930</b>	<b>+24%</b>

### TOTAL GROUP SALES (A\$000's) - FY2022

	Sales Year to 30 June 22 A\$000's	Sales Year to 30 June 21 A\$000's	Sales % Change
EdenCrete®	1,600	1,755	-9%
OptiBlend®	2,549	1,528	+67%
<b>Total for YTD</b>	<b>4,149</b>	<b>3,283</b>	<b>+26%</b>

## HIGHLIGHTS

- GDOT projects requiring US\$675,000 worth of EdenCrete® under construction or out for tender
- Three-year, bulk EdenCrete® supply agreement with Delta Industries in Tennessee and Mississippi
- EdenCrete® now being sold at 31 Lowe's locations in Oregon and Colorado and On-line across USA
- Sales growth continues in shotcrete and swimming pool markets
- Colorado Department of Transportation Interstate 70 Vail Pass trial- positive early assessment
- Significant EdenCrete® and OptiBlend sales growth expected in USA and India in next 12 months
- Rapid EdenCrete® sales growth expected in India and Indonesia for construction and infrastructure
- Australian EdenCrete® sales and marketing progress emerging
- Eden completed a right issue raising \$2,009,042 (before costs of the issue) and the refinancing of existing loans secured against the Eden US real estate is nearing completion

# **EdenCrete®**

**US EdenCrete® SALES - Q4 FY22 – A\$581,000 (Q4 FY21 – A\$294,000)**

**US EdenCrete® SALES - FY22 (12 months) – A\$1.6m (FY21 – A\$1.76m)**

**INDIAN EdenCrete® SALES Q4 FY22 – A\$78,625 (INR 4,336,700)**

## **US EDENCRETE® MARKET**

### **Georgia Department of Transportation (GDOT) US\$675,000 of EdenCrete® sales in current pipeline**

EdenCrete® sales into the US infrastructure market were slower during the quarter, largely due to delays in numerous Georgia Department of Transportation projects that require EdenCrete®, as a result of adverse weather conditions, lack of availability of workers, particularly for night shift work, and shortages of cement.

Currently, EdenCrete® worth US\$675,000 will be required for GDOT projects that are in the pipeline including projects presently under construction and/or for which the contracts have already been awarded, or for which invitations to tender have been issued. These sales, plus any further projects that are added to the list, are expected to occur progressively over the coming months. One such project requires delivery of a tanker load (US\$125,000 worth) of EdenCrete® in August 2022.

### **Three Year Bulk EdenCrete® Supply Agreement with Delta Industries Inc for Tennessee and Mississippi**

During the Quarter, Eden executed a three-year, bulk EdenCrete® supply agreement with Jackson, Mississippi-based Delta Industries, Inc., ('Delta'), first established in 1945. Delta operates more than 30 ready-mix plants and sales yards in 4 US states - Mississippi, Alabama, Tennessee and Louisiana. Mississippi, Alabama and Louisiana represent new US EdenCrete® markets, with these four states having a combined population of almost 19.6 million people.

This agreement followed an extensive trialling and evaluation programme conducted over several months by Delta and several of its shotcrete contractors, in which EdenCrete® repeatedly delivered improved pumpability, resulting in improved trucking efficiency and economics.

Delta focused on shotcrete because of the wide range of benefits that EdenCrete® has repeatedly delivered in major commercial shotcrete projects in other US states, including improved pumpability. The time normally taken to discharge concrete from a ready-mix truck for shotcrete applications, is longer than for other applications. In addition to the other performance benefits delivered by the EdenCrete® mix, the significantly improved pumpability, resulted in Delta being able to shorten the discharge time, enabling it to increase the aggregate daily concrete delivery capability of each truck.

Eden has supplied and installed three bulk 1,000-gallon (3,785 litres) storage tanks and dispensing equipment, one into each of three selected Delta plants (two in Tennessee and one in Mississippi), that service a substantial portion of Delta's shotcrete and commercial/ industrial markets. These three plants are all in reasonable proximity to each other, enabling cost effective delivery by road tanker. The initial orders from Delta, for an aggregate of US\$75,000 (A\$105,927) for the 3,000 gallons of EdenCrete® required to fill the three tanks has now been supplied by road tanker from Colorado (see Figure 1) .

The agreement, that expires in May 2025, also includes two further options of renewal, each for another two years. After the first 18 months, either party may terminate the agreement by giving 90 days' notice to the other party. The agreement also provides that the initial price of EdenCrete® of US\$25/gallon is fixed for the first 12 months.

In addition to using EdenCrete® in shotcrete applications, Delta has advised that it also intends to trial EdenCrete® in other concrete mixes for use in a wider range of different applications, including where fresh property benefits, hardened property benefits, and improved durability and sustainability are required.



**Figure 1. Initial EdenCrete® order to Delta Industries, Inc being delivered.**

This long-term, bulk EdenCrete® supply agreement with Delta, a long-established and regionally significant US ready-mix concrete supplier operating in four US states, further expands the US EdenCrete® market footprint.

**EdenCrete® now being sold in 31 select Lowe’s stores in Oregon and Colorado, and On-line across USA**

During the quarter EdenCrete® was first offered, in Oregon, for sale at 14 select stores of Lowe’s, one of the largest home improvement retailers in the world. The product is also available on-line, at Lowes.com for US customers across the country, and on-line sales have commenced.

Encouragingly, since the end of the Quarter, Lowe’s increased the number of stores in which it is selling EdenCrete® to now also include 17 selected Lowe’s stores in Colorado, bringing to 31, the aggregate number of Lowe’s stores in the US where EdenCrete® is currently on sale. Lowe’s has a total of over 2,000 stores in the USA.

This important marketing initiative is a first for EdenCrete®, being available to US retail customers, opening a new customer base and also promoting broader public awareness of EdenCrete® and the benefits that it delivers. Designed to deliver the equivalent benefits of several concrete admixtures in one, EdenCrete® offers improved fresh properties, abrasion resistance, reduced cracking, reduced permeability, lower maintenance and overall offering more sustainable, longer-lasting construction. As such, the product is well targeted towards the broad retail market, as well as smaller builders and contractors, looking for a range of performance improvements.

### Shotcrete and Swimming Pools – Sales growth continues

The shotcrete and swimming pool markets represent major EdenCrete® markets in the USA.

Following a rapid increase in interest by the swimming pool market since it first opened up in February 2022, Aqua Magazine, a leading US publication focused on swimming pools, ran an article in its June edition on EdenCrete®. The positive market response to this article, and a subsequent advertisement run by Eden in the July edition, has generated over 12 new enquiries for EdenCrete® products for use in shotcrete applications and/or swimming pool construction and finishing.

Sales of EdenCrete® for swimming pool construction and finishing, and other shotcrete applications continued to grow during the quarter, although at a slower pace than in the March quarter, due to construction delays and other issues resulting from extreme summer heat in Texas and Georgia, but sales are expected to pick up again as the very hot weather passes.

### Colorado Department of Transportation -I-70 Vail Pass trial - positive assessment after first 12 months

As announced by Eden on 15 June 2021, in early May 2021, following several years of planning, design, and preparation, the Colorado Department of Transportation (CDOT) completed the installation of a major concrete paving trial in Summit County. CDOT, jointly with Peak Materials, the American Concrete Pavement Association, Eden Innovations, and IHC Scott executed the trial, to evaluate the long-term performance of three alternative concrete mix designs at ~10,000 feet (~3050 meters) elevation, to compare the performance over a 3 year period of a standard concrete mix, followed by an EdenCrete® concrete mix and also a silica fume concrete mix.

After the first year of use (out of the intended 3 year trial), which included the entire 2021-22 winter, the three pavement sections are already reflecting the impacts of nature, de-icing chemicals and the heavy traffic use on a major Interstate Highway. In May 2022, 12 months after the trial started, Eden conducted the first visual evaluation of the performance across five modes of deterioration.

**Table 1** summarizes the observed performance, after the first year, of each of the three pavement sections, photos of which are also shown in **Figures 2-4** below.

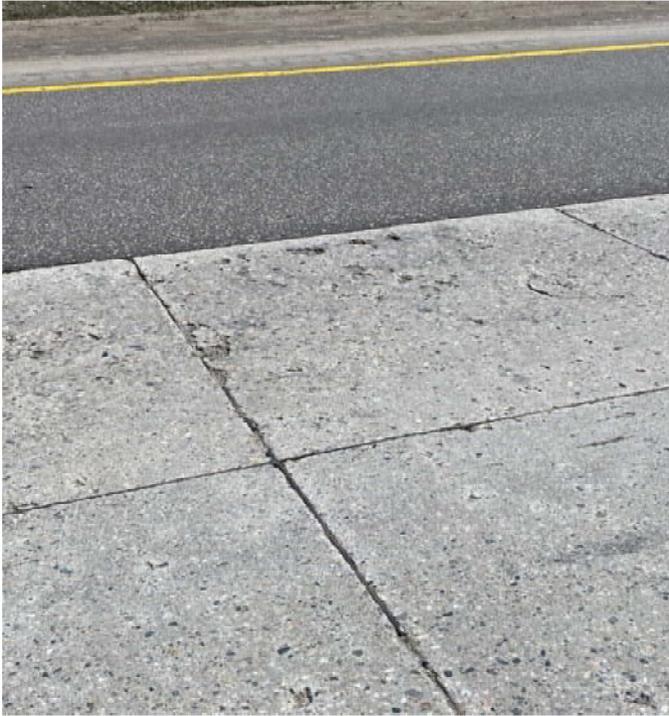
<b>Pavement</b>	<b>Scaling/Abrasion</b>	<b>Pop Outs/Pitting</b>	<b>Cracking</b>	<b>Joint Rot</b>	<b>Rutting</b>
<b>Reference</b>	Yes	Yes	Yes	Yes	Yes
<b>EdenCrete®</b>	Yes	No	No	No	No
<b>Silica Fume</b>	Yes	Yes	Yes	Yes	No

**Table 1**

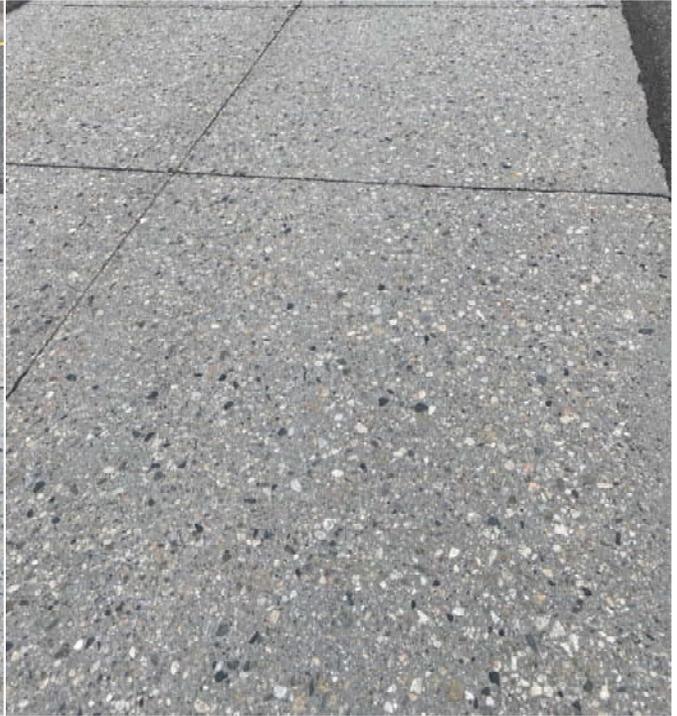
This demonstrated, superior performance delivered by the EdenCrete® enhanced concrete in the first 12 months of the 3-year trial in such harsh service conditions, is highly encouraging.

Based on its performance in other longer projects (such as GDOT road projects), the EdenCrete® concrete is considered likely to continue to outperform the other slabs over the full 3 years.

Such an achievement would be of great assistance to Eden in its efforts to extend the existing EdenCrete® market footprint further into the highways and bridges through state and federal US Departments of Transportation, and into the broader US infrastructure market.



**Figure 2**  
Mid-Section- Reference Slab -12 months  
Severe Surface Damage, Joint Rot, Pitting, Pop Outs



**Figure 3**  
Mid-Section -Silica Fume Slab - 12 months  
Concrete surface worn off, Scaling, Pitting, Aggregate Pop Outs



**Figure 4**  
Mid-Section- EdenCrete® Slab – 12 months  
Top concrete surface partially worn off, No Scaling, No Surface Damage, No Pitting and Aggregate Pop Outs, No Rutting, No Joint Rot

## **Significant growth in anticipated US EdenCrete® and OptiBlend® sales over next 12 months**

With growing market emphasis on sustainability and reduced CO<sub>2</sub> footprints, Eden is seeing a considerable increase in interest in both its EdenCrete® products and also in the OptiBlend® dual fuel systems, both for use in a range of possible infrastructure and commercial/ industrial applications.

The main markets for anticipated increased EdenCrete® sales are:

- roads and bridges (various state DOTs),
- airports and ports (with EdenCrete® being regularly included in concrete being installed by United Airlines at its facilities at Denver International Airport),
- swimming pools,
- shotcrete,
- stadiums,
- commercial and industrial construction, and
- data centres.

EdenCrete® sales in the US in FY 2023 are expected to grow to between US\$1.95 million (low estimate) to potentially over US\$6million, if moderate sales are achieved in the target markets opportunities detailed above.

The US OptiBlend® market is also expected to continue to grow at a modest pace, with the most growth anticipated to be achieved in the South-East, South-West and Mid-West regions of the US. The sales for OptiBlend® in the US in FY 2023 are expected to grow to between US\$0.63 million (low estimate) and up to US\$1.1million if moderate sales are achieved in these regions of the US.

## **INTERNATIONAL EDENCRETE® MARKET**

**Significant EdenCrete® sales growth is expected in India and Indonesia over coming 12 months, with encouraging early growth also emerging in Australia and New Zealand.**

### **INDIA - EDENCRETE® MARKET**

After extended delays of over four months (due to global container freight and shipping delays), the first major order received from Godrej Construction in late 2021 for A\$92,000 worth of EdenCrete® Pz (over half of a container load) finally arrived in India in late April 2022, enabling Godrej Construction to start significantly expanding its Indian market foot print for EdenCrete® enhanced concrete.

Following receipt of this shipment, Eden's chief scientist flew to India and assisted the Godrej Construction team, with whom Eden has been collaborating since 2019, in expanding the range of EdenCrete® Pz enhanced concrete mixes suitable for use in Godrej's batching plants in two additional large Indian cities (bringing the total to four such cities).

Godrej is part of a very highly regarded Indian group that was established in 1897, and now sells a wide range of products across India and also into 80 other countries. It has offices in 20 major Indian cities and is currently expanding its concrete operations.

India, with a population of almost 1.4 billion people, of whom an estimated 800 million still live in small rural communities, with many wishing to move to towns and cities, offers an enormous potential market for EdenCrete® products. EdenCrete® Pz is the product being used in India, enabling concrete contractors to reduce the amount of more expensive Portland cement used in their concrete mixes, and replace it with Indian fly ash, a readily

available waste product from the many local coal fired power stations, that is not only a far cheaper cementitious material than Portland cement, but one that also has a greatly reduced Greenhouse Gas footprint.

The level of interest in India in both the economic and environmental benefits of more durable concrete, is evidenced in a recent Maharashtra Government Invitation to Tender to supply 40 MPa strength concrete for the construction of two major Indian highway projects, that lists Nano Carbon Technology as one of the Key Product Specifications for enhanced serviceability of concrete pavement for the projects.

India is pushing ahead with a staggeringly large urbanisation and infrastructure programme that will take decades to complete, and represents a huge target market for EdenCrete®. With a very strong relationship with Godrej Construction, one of India's most respected companies, Eden India, which has operated since 2007 and been increasingly profitable for the past three years, is extremely well placed to participate in this extraordinarily exciting journey that has the potential to grow very rapidly.

### **INDONESIA - EDENCRETE® MARKET**

During the Quarter, Eden's chief scientist flew to Indonesia to participate in concrete batching trials with a number of large Indonesian concrete producers, focused on developing high strength, low cost and CO<sub>2</sub> footprint concrete mixes incorporating high percentages of fly ash, in substitution for similar percentages of Ordinary Portland Cement (OPC) that would otherwise be used in the concrete mixes.

As had been the case with a number of earlier Indonesian trials, these recent trials, that are still on-going, are producing highly encouraging results, including a number where small, low cost dosages of EdenCrete® Pz, are delivering strength increases of up to, and even beyond, 25%, in low Portland cement/ high fly-ash content concrete mixes, opening up the prospect of a very exciting Indonesian EdenCrete® market. In consequence, Eden is confident that sales of EdenCrete products to Indonesian customers are likely to commence in the coming months.

Indonesia, with a population of over 270 million people, large domestic coal deposits and, currently, over 40 GW of decentralised coal fired power generating capacity (with a correspondingly high annual fly ash production), has many similarities to India, including a huge projected growth in both urbanisation and infrastructure improvement. As such it is currently considered to be Eden's second (after India) most important international market for EdenCrete® outside the USA.

### **AUSTRALIA/ NEW ZEALAND - EDENCRETE® MARKET**

The following is a summary of broad progress made during the Quarter by Parchem Construction Supplies ('Parchem'), the Australian and New Zealand EdenCrete® distributor:

- Parchem's first container load of EdenCrete® stock – 16 pallets -arrived into Australia in June 2022 (after an extended delay due to well publicised international container and shipping problems).
- Perth Wake Park used EdenCrete® at 4L/m<sup>3</sup> for replacement concrete paths, to reduce the permeability, and increase the durability for longer lasting concrete (**see Figure 5**).
- A speciality pavement tile manufacturer continues to use EdenCrete®, purchasing ~180 litres per month.



**Figure 5**  
Concrete pavement (including EdenCrete®) at Perth Wake Park

- EdenCrete® was recently trialled in a laboratory with use of recycled aggregates to determine the ability to gain MPa strength similar to a control mix with standard quarry aggregate. At a dose of only 2.5L/m<sup>3</sup>, the CNT mix with 100% recycled aggregate, achieved 97% of the control mix strength that had NO recycled aggregate and the CNT achieved a 10% increase in MPa strength vs. a control mix of the same 100% recycled aggregate.
- After trialling the EdenCrete® mix a year ago, and achieving 20MPa over the control mix at 3, 7 and 28 days, a port in QLD has specified 5L/m<sup>3</sup> in precast concrete elements for a boat ramp – 45-50m<sup>3</sup> of concrete in total, a project that commences in September 2022.
- SmartCrete CRC – Parchem have partnered with SmartCrete CRC and Curtin University Corrosion Centre in Perth, over a 3 year Project that will see EdenCrete® used in concrete mixes, in simulated and actual marine environments, for reportable performance in strength, reduced permeability and overall durability of concrete assets in the most corrosive environment.
- Technical presentations to Engineers, Asset owners and Industry partners this Quarter included:
  - Concrete Institute of Australia in Perth, and
  - Water Industry Operators Association of Australia (WIOA) Victoria. NB. EdenCrete® has AS/NZS 4020:2018 standards certification -products for use in contact with drinking water i.e. concrete tanks.

# OPTIBLEND®

## OptiBlend® Sales for the Quarter (Q4 FY22)

	SALES Q4 FY 22 (A\$000s)	SALES Q4 FY 21 (A\$000s)	% Change
USA	164	297	-45%
INDIA	408	338	+21%
<b>TOTAL For Q4</b>	<b>572</b>	<b>636</b>	<b>-10%</b>

## OptiBlend® Sales for the Year (FY22)

	SALES FY 22 (A\$000s)	SALES FY 21 (A\$000s)	% Change
USA	1,462	495	+196%
INDIA	1,087	1,033	+5%
<b>TOTAL For FY</b>	<b>2,549</b>	<b>1,528</b>	<b>+67%</b>

## OPTIBLEND® SALES SUMMARY

TOTAL SALES - Q4 FY 22 – A\$0.57m ( Q4 FY21 – A\$0.64m )

TOTAL SALES - FY 22 – A\$2.55m (FY21 – A\$1.53m)

OptiBlend® sales in both USA and India are each expected to grow, due to various market factors.

### US OPTIBLEND® MARKET

US OptiBlend® Sales Q4 FY 22 – A\$0.16m

US OptiBlend® Sales FY 22 – A\$1.46m (FY21 – A\$0.5m)

### US OptiBlend® Market Outlook

In the US, the desire to significantly extend the back-up capacity of the installed diesel fuel storage, through the displacement with natural gas of up to 70% of the diesel fuel being consumed, is driving sales growth. The US OptiBlend® market is expected to continue to grow at a modest pace, with the most growth anticipated to be achieved in the South-East, South-West and Mid-West regions of the US.

## **INDIAN OPTIBLEND® MARKET**

**Indian OptiBlend® Sales Q4 FY 22 – A\$0.41m**

**Indian OptiBlend® Sales FY 22 – A\$1.09m (FY21 – A\$1.03m)**

### **Indian OptiBlend® Market Outlook**

Indian OptiBlend® sales for the year were considerably lower than expected due to long delays in the supply of a key component that includes a computer micro-chip, that delayed delivery of the required component for a number of months.

Using natural gas to replace a large percentage of the diesel fuel in diesel powered generators, results in lower operating temperatures and lower levels of environmentally hazardous emissions such as particulates and NOx. This is of extreme importance in India where the Supreme Court has prohibited the use, in Greater Delhi (with a combined population of over 40 million people), of diesel generators running on 100% diesel fuel for a significant portion of the year, in an effort to try and reduce the extremely high levels of toxic air pollution, which are regularly experienced.

This situation is expected to continue to drive growth in OptiBlend® sales in India for the foreseeable future. Whilst the reliability of the power grid is improving, people are still concerned by the prospect of having to face being without power from time to time, particularly in the extreme summer heat that is regularly experienced. As a result, subject to availability of all its required components, Eden India expects to achieve potentially significant growth in its OptiBlend® sales over the next year.

## ***CARBON NANOTUBES***

During the Quarter discussions were held with a company that produces and markets a range of nano-carbon particles and products, and wished to explore the potential of using Eden's carbon nanotubes in some of its products. Following the discussions, trials were undertaken by the company with Eden's carbon nanotubes and, at the date of this Report, those trials are still continuing.

## ***HYDROGEN***

During the Quarter, Eden US updated its proprietary Hythane blender (for blending hydrogen and natural gas in specific ratios), which was developed more than 12 years ago, and now needed to have some of its original components replaced with improved and currently available components.

This followed Eden India having received a number of enquiries in relation to supplying blenders for use in the Indian Hythane market, and the recent upgrade of Eden's Hythane blender, will enable it to be readily supplied by Eden India into the Indian market as required.

Hythane, a mixture that in India is specified as 18% hydrogen and 82% natural gas (by volume), is currently being rolled out in Greater Delhi where 7,000 natural gas buses are being converted to operate on Hythane, as a result of a ruling by the Indian Supreme Court requiring natural gas buses to only operate on fuels that also include hydrogen, to assist in improving the air quality in Greater Delhi. Trials and similar projects in other parts of India are also being planned.

# CORPORATE

## **Non-renounceable Right Issue**

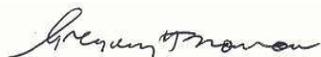
During the quarter Eden completed a 1:8 non-renounceable rights issue to existing shareholders raising \$2,009,042 (before costs of the issue) for further working capital. The new shares were issued at a price of \$0.013 and each investor received for every two new shares subscribed, one option to acquire an ordinary Eden share at an exercise price of 2.6 cents each at any time up until 28 April 2025.

## **Refinancing of Existing US Secured Loans**

Eden US, supported Eden Australia, is nearing finalisation of a transaction to replace the two existing secured loans (totalling US\$3.365 million) secured against Eden's US real estate assets, with a new secured loan from iBorrow REIT LP of US\$6.475 million, which represents less than 55% of the recently re-appraised values of the Eden's three US properties, carrying an interest rate of 9.75% p.a. This new loan which is anticipated to be completed, and the existing loans repaid during the first week of August 2022. The new loan is for 11 months (to 29 June 2023) and with an extension to 29 June 2024.

After repaying the two existing secured loans, payment of all expenses and commissions, and establishing reserves to cover future interest payments, real estate taxes and insurance, approximately US\$1.7 million (A\$2.45million) of additional working capital for Eden will be generated by this transaction, supplementing the revenue stream being received from increasing product sales.

After fully repaying the two existing secured loans, payment of all expenses and commissions, and creating reserves to cover future interest payments, real estate taxes and property insurance, approximately US\$1.7 million (A\$2.45million) of additional working capital for Eden will remain, supplementing the revenue stream being received from increasing product sales.



## **Gregory H Solomon**

*Executive Chairman*

This report was authorised by the above signatory.

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

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

Payments to related parties during the quarter related to:

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

## Appendix 4C

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

**Name of entity**

Eden Innovations Ltd

**ABN**

58 109 200 900

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

30 June 2022

<b>Consolidated statement of cash flows</b>	<b>Current quarter \$A'000</b>	<b>Year to date (12 months) \$A'000</b>
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	1,094	4,246
1.2 Payments for		
(a) research and development	(473)	(1,442)
(b) product manufacturing and operating costs	(1,084)	(3,575)
(c) advertising and marketing	(178)	(565)
(d) leased assets	-	-
(e) staff costs	(1,308)	(4,545)
(f) administration and corporate costs	(338)	(1,229)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	2	4
1.5 Interest and other costs of finance paid	(61)	(372)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material)	-	-
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(2,346)</b>	<b>(7,478)</b>
<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	(1)	(36)
(d) investments	-	-
(e) intellectual property	-	-
(f) other non-current assets	-	-

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 months) \$A'000
2.2 Proceeds from disposal of:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	-	-
(d) investments	-	-
(e) intellectual property	-	-
(f) other non-current assets	-	-
2.3 Cash flows from loans to other entities	-	-
2.4 Dividends received (see note 3)	-	-
2.5 Other (provide details if material)	-	-
<b>2.6 Net cash from / (used in) investing activities</b>	<b>(1)</b>	<b>(36)</b>

<b>3. Cash flows from financing activities</b>		
3.1 Proceeds from issues of equity securities (excluding convertible debt securities)	1,059	5,984
3.2 Proceeds from issue of convertible debt securities	-	-
3.3 Proceeds from exercise of options	-	-
3.4 Transaction costs related to issues of equity securities or convertible debt securities	(58)	(260)
3.5 Proceeds from borrowings	-	1,671
3.6 Repayment of borrowings	-	(620)
3.7 Transaction costs related to loans and borrowings	-	-
3.8 Dividends paid	-	-
3.9 Other (provide details if material)	-	-
<b>3.10 Net cash from / (used in) financing activities</b>	<b>1,001</b>	<b>6,775</b>

<b>4. Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1 Cash and cash equivalents at beginning of period	2,804	2,175
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(2,346)	(7,478)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	(1)	(36)

Appendix 4C  
Quarterly cash flow report for entities subject to Listing Rule 4.7B

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (12 months) \$A'000</b>
4.4	Net cash from / (used in) financing activities (item 3.10 above)	1,001	6,775
4.5	Effect of movement in exchange rates on cash held	80	102
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>1,538</b>	<b>1,538</b>

<b>5.</b>	<b>Reconciliation of cash and cash equivalents</b> at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	<b>Current quarter \$A'000</b>	<b>Previous quarter \$A'000</b>
5.1	Bank balances	1,538	2,804
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
<b>5.5</b>	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>1,538</b>	<b>2,804</b>

<b>6.</b>	<b>Payments to related parties of the entity and their associates</b>	<b>Current quarter \$A'000</b>
6.1	Aggregate amount of payments to related parties and their associates included in item 1	107
6.2	Aggregate amount of payments to related parties and their associates included in item 2	

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

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

7. <b>Financing facilities</b> <i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>
7.1 Loan facilities	4,924	4,924
7.2 Credit standby arrangements		
7.3 Other (please specify)		
7.4 <b>Total financing facilities</b>	4,924	4,924
7.5 <b>Unused financing facilities available at quarter end</b>		-
7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.	<p>The two existing secured loans for the sum of US\$3.00 million from Snowpoint Northeast LLC. (Interest at 11% pa), and the US\$365,000 balance of the Dumont Way property purchase loan (secured by a 2nd mortgage over the Dumont Way property, 6% interest rate), secured against Eden's US real estate assets, are in the process of being replaced by a new secured loan from iBorrow REIT, LP of US\$6.475 million, interest at 9.75%, which represents less than 55% of the recently re-appraised values of the Eden's three US properties. The new secured loan is expected to be completed and the existing loans repaid in full early in the first week of August 2022. The new loan is for 11 months (to 29 June 2023) and with an extension to 29 June 2024.</p> <p>After repaying the two existing secured loans, payment of all expenses and commissions, and establishing reserves to cover future interest payments, real estate taxes and insurance, approximately US\$1.7 million (A\$2.45million) of additional working capital for Eden will be generated by this transaction, supplementing the revenue stream being received from increasing product sales.</p> <p>Eden US received a U.S. CARES Act SBA loan and has US\$26,929 outstanding.</p>	

8. <b>Estimated cash available for future operating activities</b>	<b>\$A'000</b>
8.1 Net cash from / (used in) operating activities (item 1.9)	2,346
8.2 Cash and cash equivalents at quarter end (item 4.6)	1,538
8.3 Unused finance facilities available at quarter end (item 7.5)	-
8.4 Total available funding (item 8.2 + item 8.3)	1,538
8.5 <b>Estimated quarters of funding available (item 8.4 divided by item 8.1)</b>	0.66
<i>Note: if the entity has reported positive net operating cash flows in item 1.9, answer item 8.5 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.5.</i>	

8.6 If item 8.5 is less than 2 quarters, please provide answers to the following questions:

8.6.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

Answer: The entity expects the current monthly deficit in net operating cash flows to progressively decrease in the upcoming quarters, due to increased sales and increased sales receipts.

8.6.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Answer: The two existing secured loans for the sum of US\$3.00 million from Snowpoint Northeast LLC. (Interest at 11% pa), and the US\$365,000 balance of the Dumont Way property purchase loan (secured by a 2nd mortgage over the Dumont Way property, 6% interest rate), secured against Eden's US real estate assets, are in the process of being replaced by a new secured loan from iBorrow REIT, LP of US\$6.475 million, interest at 9.75%, which represents less than 55% of the recently re-appraised values of the Eden's three US properties. The new secured loan is expected to be completed and the existing loans repaid in full early in the first week of August 2022.

After repaying the two existing secured loans, payment of all expenses and commissions, and establishing reserves to cover future interest payments, real estate taxes and insurance, approximately US\$1.7 million (A\$2.45million) of additional working capital for Eden will be generated by this transaction, supplementing the revenue stream being received from increasing product sales.

8.6.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer: Yes, the entity expects to be able to continue its operations and to meet its business objectives based on diminishing net operating cash deficits and raising further funds as detailed in answers 8.6.1 and 8.6.2.

*Note: where item 8.5 is less than 2 quarters, all of questions 8.6.1, 8.6.2 and 8.6.3 above must be answered.*

## Compliance statement

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

Date: 28 July 2022

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

## Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been

**Appendix 4C**

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

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- prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
  4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [*name of board committee – eg Audit and Risk Committee*]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
  5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.