



Innovations that work.™

ACN 109 200 900

ASX Quarterly Report

For the Quarter Ended 30 September 2023

HIGHLIGHTS

- Continued 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 CO₂ as a by-product.
- Placement of shares and new options raised A\$1.1 million issued 366,666,665 ordinary shares ("Placement Shares") at an issue price of 0.3cents (\$0.003) per Placement Share, together with 183,333,333 options, being one (1) free attaching option for every two (2) Placement Shares subscribed, (Placement Options) each exercisable at 0.9 cents until 11 September 2026, and an additional 60,000,000 Placement Options were issued to the Broker of the Placement.
- Three potential purchasers assessing Eden's 65 acres of industrial land in Georgia.

EdenCrete®

- US Market- While sales slowed (as frequently happens during the US summer holiday period) several new EdenCrete® customers and new trials commenced.
- International market- Continued interest from companies in India, Indonesia, Europe, and Australia, largely in low CO₂ concrete using EdenCrete® products.

OptiBlend®

- Market interest growing in both USA and India in OptiBlend® dual fuel kits:
 - USA - Over US\$2.5 million (A\$3.87 million) in current OptiBlend quotes and US\$0.5 million (A\$0.77million) in orders.
 - India – Following record sales in FY 2023, Indian demand and sales of OptiBlend slowed significantly. This was due largely to uncertainty in current Indian air quality standards that dual fuel systems must comply with, following the Government extending the date by 3 months, from 30 September 2023 until 31 December 2023, by which the dual fuel kits must be fitted to diesel generators. Additionally, Indian dual fuel standards are currently being drafted. All revenue for the Quarter was derived from installations of kits sold in previous Quarters. This is not anticipated to be a recurrent issue.

TOTAL GROUP SALES (A\$000'S) for Q1 FY2024

	Sales 3 months to 30 Sept 23 A\$000's	Sales 3 months to 30 Sept 22 A\$000's	Sales % Change
EdenCrete®	286	524	(45%)
OptiBlend®	286	927	(69%)
Total for Q1 FY2024	572	1,451	(61%)

EdenCrete®

USA

Details of important EdenCrete® activities during the Quarter:

Colorado

- **United Airlines, Denver International Airport ("DEN"), Colorado.**
 - During the Quarter another phase of full depth panel replacements was recently completed at Denver International Airport for United Airlines. This is the fifth phase and continues the panel repair and replacement project which started February 2020.
 - In the United Cargo facility area, six adjacent full depth panels (25'x 25' with a 10" thickness) were removed and replaced with EdenCrete® concrete (Figures 1 and 2).
 - After repairing many panels with an overlay application, United Airlines has also removed and replaced many of the 26-year-old concrete panels that over time cracked due to alkali silica reactivity, scaled due to de-icer chemical attack, and are exhibiting wear and tear from the abrasion produced by airplane tyres and service vehicles.



Figure 1. Concrete being replaced in full depth slab



Figure 2. Completed full depth replacement slab

- **Specialty Metals Company, Non-Ferrous Metal Waste Transfer Station, Denver , Colorado**
 - EdenCrete® included in new non-ferrous metal transfer station slab for recycling facility.
 - Total yardage 660 cy at 1 gallon/ cubic yard EC and 7.5 lbs dose of macro fibres to create a highly crack resistant and tough concrete product.
 - EdenCrete® was specified for abrasion resistance and durability against solid rubber front end loaders and bucket scraping and withstand the constant abrasion forces.
 - EdenCrete® also aided in pumping the difficult mix and helped to embed the fibres with improved creamy paste rheology (see Figures 3-5).
 - Joints were cut on 20-ft spacing. Inspection six days after placement revealed no cracks.



Figure 3. Construction of non-ferrous metal re-cycling station



Figure 4. Completed concrete flooring



Figure 5. Completed concrete flooring

Kansas

- **McPherson Concrete Products, City of McPherson, Andale Construction, Kansas**
 - McPherson Concrete Products used EdenCrete® for the first time in a US Department of Housing and Urban Development project with the City of McPherson.
 - The project consisted of installing new water and sewer facilities and new concrete curb and gutter and concrete paving along four city blocks of Walnut Street.
 - EC and Pz7 are each being trialled in 80 cubic yards of concrete (out of total 440 cubic yards for whole project (see Figures 6-7).
 - City of McPherson Engineer will evaluate performance to consider future use.
 - Trials of EdenCrete®Pz and Pz7 are also underway in a Kansas DOT Bridge deck project.
 - Trial results are expected to be received in December Quarter 2023.



Figure 6 – Roadway being prepared.



Figure 7. Roadway being installed.



Figure 8. Completed roadway.

Texas

- **North Texas Municipal Water District - Effluent and Influent Subterranean Water Tanks**

- During the Quarter, refurbishment of a low permeability liner of an effluent and influent subterranean tank project was completed (see Figures 9-10).
- Approx. 250 cubic yards of shotcrete applications used to rebuild vessel walls. Placed in one single lift and hard trowelled for flat, very smooth finish.
- EdenCrete® dosed at 1 gallon/ cubic yard, the highest EdenCrete® shotcrete dose ever used, to obtain lowest possible permeability and crack resistance in shotcrete while providing a sticky property to the rheology for superior adherence to hold an 8" lift from sloughing off.



Figure 9. Shotcrete being sprayed onto wall with little dust and rebound.

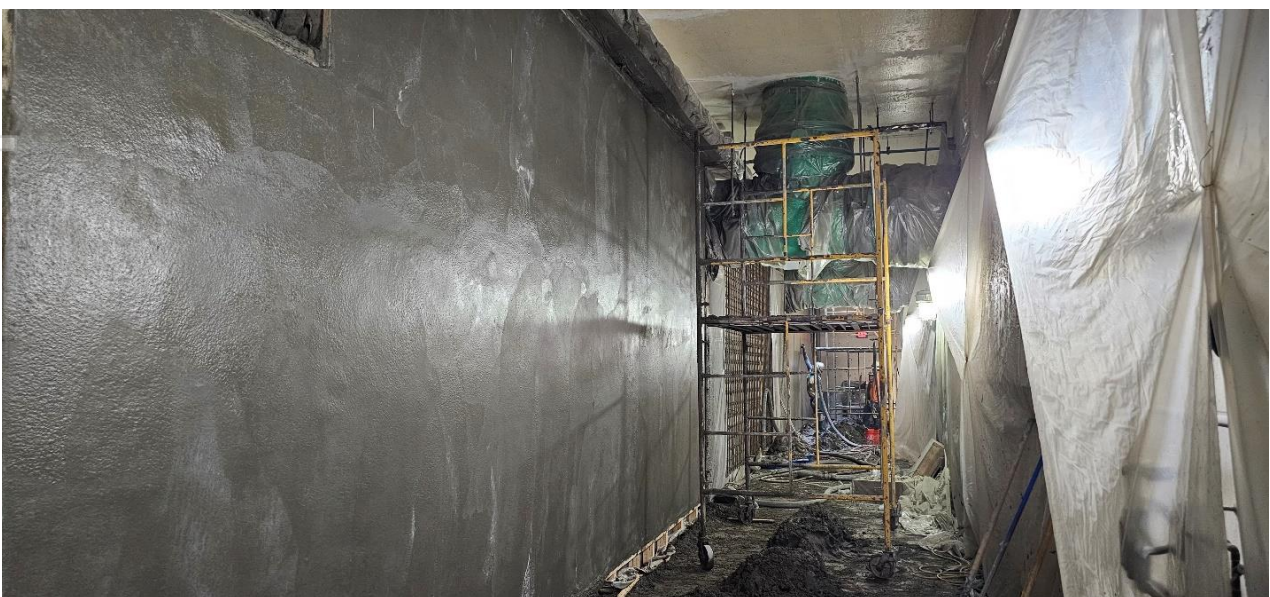


Figure 10. Portion of completed wall showing very smooth finish

Low CO₂ Concrete - Global Interest Continues to Grow

Interest in low CO₂ 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 CO₂ 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 CO₂ footprint.

During the Quarter, trials continued with several concrete companies in USA, India and Indonesia.

EDENCRETE® PRODUCTS- INTERNATIONAL

Details of important EdenCrete® activities outside the USA during the Quarter:

India

A major Indian ready-mix company that operates across India, continued trials during the Quarter 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.

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 expected in the December Quarter.

CONTINUED INTEREST IN EDEN'S CORE PYROLYSIS TECHNOLOGY

During the June Quarter a further meeting was held with a large multi-national company that in January 2023, initially expressed interest in exploring possible opportunities for it to use some of Eden's various products and know how through licencing or some other form of rights.

As a result of this meeting, further assessment by this company of Eden's various products has been undertaken and a further meeting to discuss the outcome of this assessment is scheduled in November 2023. Whilst there is no certainty that any long-term agreement will be reached, the continued interest of a significant global company that is interested in Eden's core pyrolysis technology and downstream applications, is encouraging.

Additionally, another major company has also expressed interest in Eden's technology, and this interest is also being explored.

OPTIBLEND®

OptiBlend® Sales for the Quarter (Q1 FY24)

	SALES Q1FY24 (A\$000s)	SALES Q1 FY23 (A\$000s)	% Change
INDIA	59	817	(93%)
USA	227	110	107%
TOTAL (Q1)	286	927	(69%)

Indian OptiBlend® Market

- Following record sales in FY 2023, Indian demand and sales of OptiBlend slowed significantly. This was due largely to uncertainty in current Indian air quality standards that dual fuel systems must comply with, following the Government extending the date by 3 months, from 30 September 2023 until 31 December 2023, by which the dual fuel kits must be fitted to diesel generators. Additionally, Indian dual fuel standards are currently being drafted.
- All revenue for the Quarter was derived from installations of kits sold in previous Quarters. This is not anticipated to be a recurrent issue.

US OptiBlend® Market

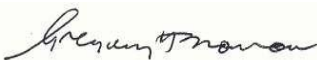
- During the quarter, Eden US received orders (approx.A\$227,000) for multiple new OptiBlend systems and spare parts. This represents a 107% increase on the US OptiBlend sales for the same quarter in 2022.
- There is currently approximately US\$500,000 worth of US OptiBlend orders in the pipeline at the end of the September quarter (some of which orders are for earlier delivery and others for longer term delivery).
- At the end of the Quarter, Eden US had on issue current quotations to potential customers for almost US\$2.5 million worth of OptiBlend systems since the start of 2023, evidencing growing US market interest, particularly for retrofitting to large diesel gensets that are used to provide back-up power supplies .

CORPORATE

During the Quarter:

- Growing interest from potential purchasers of Eden's 65 acres of vacant industrial land in Augusta, Georgia, that has been on the market for over a year. Recently, an international company and two other groups inspected the property and remain interested in the land. Eden remains optimistic that the property will be sold over the next few months.
- In July 2023, Eden's largest shareholder, Tasman Resources Ltd (via its 100% owned subsidiary Noble Energy Pty Ltd), 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 below). The Tasman Loan, which is unsecured and repayable on demand attracts interest at 9.97% per annum.

- In August 2023, the Company (via Eden USA) exercised its option to extend its secured debt financing agreement with iBorrow REIT, LP for a further 12-month period. Consistent with the terms of the renewal, the principal amount was reduced by US\$675,000 (A\$1,018,100) with the remaining principal of US\$5,800,000 (A\$8,748,115) due on 7 August 2024. A renewal fee of USD\$60,750 (A\$91,629), legal fees and replenishment of the debt holder's Interest reserve of \$359,032 (A\$541,526) was also paid. The note continues to bear interest at a rate of 9.75% per annum, payable monthly in advance, and is secured by all three of the Company's freehold properties and is guaranteed by the Parent.
- In September 2023, a Placement of shares and new options raised A\$1.1 million through the issue of 366,666,665 ordinary shares ("Placement Shares") at an issue price of 0.3cents (\$0.003) per Placement Share, together with 183,333,333 options, being one (1) free attaching option for every two (2) Placement Shares subscribed, (Placement Options) each exercisable at 0.9 cents until 11 September 2026, and an additional 60,000,000 Placement Options were issued to the Broker of the Placement.
- Consistent with the terms agreed under the mandate with the placement broker, Noble Energy Pty Ltd ('Noble'), a wholly owned subsidiary of Tasman Resources Ltd, agreed to convert \$1.2 million (the "Conversion Sum") of the Noble Loan into ordinary fully paid shares with free attaching options, to be issued at the same price and on the same terms as the abovementioned Placement Shares and Placement Options, subject to Eden shareholder approval.
Conversion of the \$1.2 million Conversion Sum owed by Eden to Noble will take place in two tranches:
 - An initial tranche of \$880,000 will be converted will be considered by the shareholders at the up-coming Annual General Meeting, thereby increasing Noble's holding shareholding in Eden from 28.27% to 31.19% of the total shares in Eden; and
 - Only after the conversion of a further \$320,000 of the Noble Loan into ordinary fully paid shares and attaching options will be exempt under item 9 of the table in s.611 of the Act and subject to and conditional upon the conversion not contravening s.606 of the Act, the balance of \$320,000 will be converted not less than six months after the initial conversion has been completed (subject to a further shareholder approval at a general meeting to be convened closer to the time).
- Released the Annual Report and announced the Annual General Meeting to be held on 30 November 2023 at 11.00am at the Company's registered office – Level 15, 197 St Georges Terrace Perth WA 6000.



Gregory H Solomon

Executive Chairman

This report was authorised by the above signatory.

For further information please contact Jamie Scoringe 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. Consulting Fees associated with Dr Larsen's role as Chief Scientist and Manager of International Business
2. Legal Fees were paid during the quarter to a firm of which Mr. GH Solomon and Mr. DH Solomon are partners.

Appendix 4C

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

Name of entity

Eden Innovations Ltd

ABN

58 109 200 900

Quarter ended ("current quarter")

30 September 2023

Consolidated statement of cash flows		Current Quarter \$A'000	Year to Date (3 months) \$A'000
1. Cash flows from operating activities			
1.1 Receipts from customers		401	401
1.2 Payments for			
(a) research and development		(141)	(141)
(b) product manufacturing and operating costs		(375)	(375)
(c) advertising and marketing		(84)	(84)
(d) leased assets		-	-
(e) staff costs		(645)	(645)
(f) administration and corporate costs		(212)	(212)
1.3 Dividends received (see note 3)		-	-
1.4 Interest received		5	5
1.5 Interest and other costs of finance paid		(63)	(63)
1.6 Income taxes paid (India)		(169)	(169)
1.7 Government grants and tax incentives		-	-
1.8 Other (provide details if material)		(438)	(438)
1.9 Net cash from / (used in) operating activities		(1,721)	(1,721)
1.8 - Details			
Material Other costs paid during the quarter included Annual Insurance premiums, ASX listing fees, and Auditors Fees.			
2. Cash flows from investing activities			
2.1 Payments to acquire or for:			
(a) entities		-	-
(b) businesses		-	-
(c) property, plant and equipment		(6)	(6)
(d) investments		-	-
(e) intellectual property		-	-
(f) other non-current assets		-	-

Consolidated statement of cash flows		Current Quarter \$A'000	Year to Date (3 months) \$A'000
2.2	Proceeds from disposal of:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) intellectual property	-	-
	(f) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	(6)	(6)
3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	1,100	1,100
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	1	1
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(76)	(76)
3.5	Proceeds from borrowings	2,140	2,140
3.6	Repayment of borrowings	(1,367)	(1,367)
3.7	Transaction costs related to loans and borrowings	(94)	(94)
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	1,704	1,704
4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	2,535	2,535
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,721)	(1,721)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(6)	(6)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	1,704	1,704
4.5	Effect of movement in exchange rates on cash held	99	99
4.6	Cash and cash equivalents at end of period	2,611	2,611

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current Quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	2,611	2,535
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	2,611	2,535

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	108
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-
<p><i>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.</i></p> <p>Consulting Fees were paid to Dr Allan Godsk Larsen in respect of his role as Chief Scientist and Manager of International Business</p>		

7.	Financing facilities <i>Note: the term "facility" includes all forms of financing arrangements available to the entity.</i> <i>Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	Total facility amount at Quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1	Loan facilities	11,653	11,653
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	Total financing facilities	11,653	11,653
7.5	Unused financing facilities available at quarter end		-
7.6	<p>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> <ul style="list-style-type: none"> • Loan for the sum of US\$5.8 million from iBorrow LP. Interest at 9.75% pa, maturing on 7th August 2024. Secured by property. Refer ASX announcement 19 July 2023 and the Company's Annual Report for an update on this facility. • Eden US received a U.S. CARES Act SBA loan and has US\$26,929 outstanding. • Eden Australia has an at call, unsecured loan from Noble Energy Pty Ltd (100% owned by Tasman Resources Ltd) of A\$2.63m. Interest at 9.97% pa. Refer ASX announcements 19 July 2023 and the Company's Annual Report for an update on this facility. Consistent with the announcement of 31 August 2023, and subject to shareholder approval at the AGM and a subsequent meeting, Noble has agreed to convert \$1.2m (in two tranches) of its facility to equity. 		

8.	Estimated cash available for future operating activities	\$A'000
8.1	Net cash from / (used in) operating activities (item 1.9)	(1,721)
8.2	Cash and cash equivalents at quarter end (item 4.6)	2,611
8.3	Unused finance facilities available at quarter end (item 7.5)	-
8.4	Total available funding (item 8.2 + item 8.3)	2,611
8.5	Estimated quarters of funding available (item 8.4 divided by item 8.1)	1.5
<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?	
	<div style="border: 1px solid black; padding: 5px;"> <p>No, the September quarter included a number of annual costs such as ASX, Insurance and Audit fees as noted at 1.8. Additionally, costs were expended on inventory build for sales anticipated for subsequent quarters.</p> </div>	
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?	
	<div style="border: 1px solid black; padding: 5px;"> <p>The Company continues to anticipate the sale of its Georgia industrial property, with continued interest from a number of parties. Further capital raisings will be considered if required.</p> </div>	
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?	
	<div style="border: 1px solid black; padding: 5px;"> <p>Refer ASX Announcement of 11 September 2023, whereby the anticipated sale of the Company's Georgia property and anticipated sales revenue are expected to be very close to achieving a positive cashflow for FY24.</p> </div>	
<i>Note: where item 8.5 is less than 2 quarters, all of questions 8.6.1, 8.6.2 and 8.6.3 above must be answered.</i>		

Compliance statement

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

Date: 31 October 2023

Authorised by: Jamie Scoringe
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that

wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.

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