

*eden*

**Innovations that work.**<sup>TM</sup>

**Annual Report**

for the Year Ended 30 June 2020

# CONTENTS

Highlights	2
Corporate Directory	4
Review of Operations	5
Directors' Report	13
Auditors Independence Declaration	19
Consolidated Statement of Profit or Loss and Other Comprehensive Income	20
Consolidated Statement of Financial Position	21
Consolidated Statement of Changes in Equity	22
Consolidated Statement of Cash Flows	23
Notes to the Financial Statements	24
Directors' Declaration	41
Independent Auditor's Report	42
Additional Information for Listed Public Companies	45

## HIGHLIGHTS DURING THE 2019-2020 FINANCIAL YEAR

### SALES

	Sales for year ended 30 Jun 2020, A\$000's	Sales for year ended 30 Jun 2019, A\$000's	Sales % Change
EdenCrete®	1,498	1,615	-7%
OptiBlend®	929	720	29%
Total	2,427	2,335	4%

### EDENCRETE®

- EdenCrete® sales during the year decreased by 7% compared to the prior year, due primarily to the significant impact of COVID-19 on business activity around the world. However, the impact of COVID-19 on EdenCrete® sales is starting to wane and sales are projected to increase over the remainder of the calendar year.

### USA

- In spite of the significant impact of the COVID-19 pandemic, encouraging growth has still taken place over FY2020 in the number of US States where EdenCrete® sales and/or trials are occurring:
  - During the year, sales of EdenCrete® products occurred in Georgia, Colorado, New York, South Carolina, Ohio and Utah.
  - During the year, trials with potential customers took place, are underway, or are planned, in Georgia, Colorado, New York, South Carolina, Idaho, Ohio, Utah, Illinois, Indiana, Wisconsin, Oklahoma, Florida and Pennsylvania.
- Restructuring of US sales team occurred with the appointment of four commission-only sales representatives to supplement the existing sales team.

### Georgia

- Completed the second GDOT / Federal (FHWA) funded project using EdenCrete® for pavement repairs on 11 miles of highway, requiring over US\$500,000 of EdenCrete®.
- Two such FHWA jointly funded projects are anticipated during FY 2021.
- Following the successful completion of a 12 months' field trial, EdenCrete® was accepted for use on GDOT construction and maintenance projects for mainline paving.
- The first GDOT bridge trial of EdenCrete® concrete.
- Three Georgia ready-mix operators developing or selling proprietary EdenCrete® mixes.

- Georgia Port Authority (GPA) field trial of EdenCrete® concrete delivered highly encouraging results including:
  - Compressive strength achieved at 28 days of 10,010 psi exceeded by 100% the required minimum 28 days strength of 5,000psi.
  - Compressive strength achieved at 28 hours (5,720 psi) exceeded the required minimum to re-open the section (4,000psi) by 43%, approximately 48 hours earlier than is usually the case.
- Following the successful completion of this trial EdenCrete® was named in first GPA project (500 CY of concrete) – the date for the project is not yet determined and further trials are planned including chloride permeability, ASR mitigation, freeze/thaw protection, chemical scaling resistance and shrinkage reduction.
- Eden commenced developing its own marine concrete mix for use in future port applications in the USA.

### Colorado

- 8 ready-mix companies, that between them have EdenCrete® dispensing systems installed at 13 different plant sites, now regularly using EdenCrete® products (and including 3 ready-mix companies with 4 plants that started using EdenCrete® in FY 2020).
- EdenCrete®, since late 2018, has been and continues to be used in a range of shotcrete applications on the 10 mile, Colorado DOT Central 70 project on Interstate Highway I-70.
- A number of local government authorities, contractors and property owners are now specifying EdenCrete® on a repeat basis for a range of projects, including on nine separate repair projects at a professional sporting stadium.
- Town of Breckenridge has used EdenCrete® in a number of projects since late 2019.

### New York

- First order for EdenCrete®Pz received from New York ready-mix company for use in low-midrise construction and bulk dispensing system installed in their plant.
- Repeat order received after the end of the financial year.

## South Carolina

- Growing demand for EdenCrete® in industrial flooring applications in South Carolina.
- EdenCrete® ordered by contractor for an outdoor concrete storage area for large, industrial tyres at South Carolina plant owned by an international tyre company.
- A repeat order received from same contractor for US\$120,000 of EdenCrete® for inclusion in 200,000 square ft. industrial storage area for same international tyre company.
- Three orders received from a second large company for warehouse floors in South Carolina.

## Ohio

- First order received from an Ohio-based ready-mix company and bulk dispensing system installed in their plant for future sales.

## Utah

- Two ready-mix plants and one shotcrete operator installed storage and dispensing equipment for inclusion of EdenCrete® in their standard concrete mixes.

## NTPEP Approvals Obtained

- NTPEP Approval of EdenCrete® and EdenCrete®Pz received, opening the way for approvals by all US DOTs.

## DOT APPROVALS- Status

- 20 State DOTs have approved EdenCrete® and 14 have approved EdenCrete®Pz

## AUSTRALIA AND NEW ZEALAND

- Eden received and dispatched the first Australian EdenCrete® order for Parchem.
- Initial regulatory approval to import EdenCrete® into Australia for trials received by Parchem. Final approval hoped to be received before the end of October 2020.
- Commercial trials have commenced in Australia - 40 trial requests received to date.

## INDIA

- Eden has, since the end of the financial year, received its first order from Godrej Ready Mix, a division of the highly respected, Godrej Group of companies, with which Eden has been developing a range of EdenCretePz® concrete mixes with high fly ash content.

## EUROPE

- Extensive trials of EdenCrete® products by a large European construction company commenced in July 2019 and were scheduled to be completed in the first half of 2020. However due to COVID 19, the trials were shut down from February 2020 until August 2020 and at the date of this report these trials have recommenced, with finalisation anticipated before the end of CY2020.

## SOUTH KOREA

- Trials with a major ready-mix company are continuing

## US EDENCRETE® PATENT ALLOWED

- US patent application no. 15/597,198 allowed - includes 24 claims directed to the production of the EdenCrete® family of products.

## OPTIBLEND®

- Sales of OptiBlend® Dual Fuel Systems rose 29% during the year, to approx. A\$929,000, with continued market interest in USA and India and emerging interest from Nigeria.
- Appointment of new commission-only OptiBlend® sales representatives in USA and India.

## EDENPLAST™

- US Patent No. 10,472,240 issued - includes 16 claims directed to the production of the EdenPlast® family of products.
- A Japanese plastics company expressed an interest in testing EdenPlast® and a concentrated master batch has been prepared in Australia and sent to Japan for testing by the Japanese company.

## CORPORATE

- Eden completed a Share Purchase Plan (SPP), raising A\$2,908,000 before costs, through the issue of 58,160,000 Shares at 5 cents per share.
- Eden US secured US\$3 million of debt financing for working capital, secured against its US properties.
- Eden US also received a US Government backed loan of US\$634,000, under the US Government's COVID-19 stimulus package, which is likely to become a grant and not be repayable provided certain conditions related to continued employment are met.
- New executive appointment in Eden Innovations LLC [Eden US].
- Since the end of FY2020, Eden completed a well-supported Share Purchase Plan (SPP) that closed on 23 July 2020, with shareholders subscribing a total of A\$4,244,897 for 151,603,497 shares.

## CORPORATE DIRECTORY

### DIRECTORS:

**Gregory H Solomon** LLB (Executive Chairman)

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

**Lazaros Nikeas** B.A. (Non-Executive)

**Stephen D Dunmead** B.Sc., M.Sc., Ph.D. (Non-Executive)

### COMPANY SECRETARY:

**Aaron P Gates** BCom CA AGIA

### REGISTERED OFFICE:

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Perth

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### SOLICITORS:

**Solomon Brothers**

Level 15

197 St Georges Terrace

Perth WA 6000

### AUDITORS:

**Nexia Perth Audit Services Pty Ltd**

Level 3

88 William Street

Perth WA 6000

### SHARE REGISTRY:

**Advanced Share Registry Services**

110 Stirling Highway

Nedlands WA 6009

### STOCK EXCHANGE LISTING:

**ASX Code: EDE** (ordinary shares) **EDEOB** (8 cent listed options)

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



## REVIEW OF OPERATIONS

### IMPACT OF COVID-19

The COVID-19 pandemic has, for more than six months, had a significant impact on sales and trials of EdenCrete® products, both in the USA and in a number of other countries, but at the date of this report, this impact on EdenCrete® sales is starting to wane in the USA, as well as Europe and India.

For example, the significant European construction company that commenced in July 2019 an extensive testing programme with EdenCrete® products in a range of concrete mixes, and which was forced to shut all research operations for over six months from early 2020, has now at the date of this report re-opened its research division and is about to commence the final phase of this testing programme that is expected to be completed in CY2020.

Similarly, in India, an extensive trial project using EdenCrete®Pz by a large construction company was completed in early February 2020, only for all projects to then be suspended due to national lockdown requirements. However, the company has, after a delay of more than six months, issued its first purchase order for EdenCrete®Pz.

Further, since the end of the financial year, Eden received its first commercial order for EdenCrete® products from Israel, to be used in commercial trials. This followed a similar delay after initial trials in Israel were completed in February 2020.

However, throughout this whole period, Eden has been very fortunate in that its US operations in Colorado, including both testing as well as production of all its products, have been able to continue operating, with staff observing social distancing and other policies that were implemented, with no delays in production or testing occurring. At the same time, none of Eden's US staff or their immediate families have tested positive for the COVID-19 virus.

### SALES AND MARKETING PROGRESS

During FY2020 year, total EdenCrete® sales [A\$1,498,121] were achieved, which is slightly lower than in FY2019 [A\$1,614,546]. The primary cause of this has been the impact of COVID-19 on Eden's current and potential customers. However, this downward trend in sales over the past six months is finally starting to reverse and is not anticipated to be reflective of the longer-term sales trajectory.

The restructuring and expansion of the US sales force, the continuing growth in the number US EdenCrete® customers, the increase in the number of US states where sales and/or trials are occurring, supported by the extension in the geographic footprint of EdenCrete® into

a number of other countries where EdenCrete® trials are occurring, are expected to help drive increased sales in the remainder of FY2021.

OptiBlend® sales are also anticipated to increase over the coming periods as new commission-only sales representatives, two of whom have been appointed, help drive an increase in OptiBlend® sales in both India and USA.

More details of the progress made during the year are detailed below.

### EDENCRETE®

#### USA - GROWTH OF US EDENCRETE® FOOTPRINT

Regular sales to repeat customers continued in a number of US States, for a range of projects including building construction and maintenance, driveways, industrial flooring, shotcrete applications, and highway repairs. During the year, sales of EdenCrete® products have occurred in Georgia, Colorado, New York, South Carolina, Ohio and Utah.

In addition, during the year, trials with new, and including a number of potentially significant, customers that operate in a range of market sectors, took place, are presently underway, or are being planned in Georgia, Colorado, New York, South Carolina, Idaho, Ohio, Utah, Illinois, Indiana, Wisconsin, Oklahoma, Florida and Pennsylvania.

Experience over the past three years has shown that a significant proportion of the growth in EdenCrete® sales over this time has occurred following successful trials or projects, with news of the successes often being passed on to new customers by various means, including by contractors who undertook the successful project.

#### US EDENCRETE® SALES FORCE

To service the increasing US interest and help accelerate the growth in sales, the structure of the US sales team has been reviewed and two or three new sales people are planned. To date one further member of the sales team has been appointed.

Eden has also appointed a number of new sales representatives that are selling EdenCrete® products on a commission-only basis. To date four sales representatives have been appointed, providing sales coverage in Texas, as well as in the mid-west, south-east and north-east areas of the US.

## US STATE DOT APPROVALS

To date 20 State Departments of Transportation (DOTs) have approved EdenCrete® and 14 have approved EdenCrete®Pz. The 20 State DOTs that have approved EdenCrete® are:

Alabama, Alaska, Arkansas, California, Colorado, Georgia, Kentucky, Louisiana, Maine, Massachusetts, Mississippi, North Carolina, Oklahoma, Oregon, South Carolina, Tennessee, Texas, Vermont, Virginia and West Virginia

These 20 States between them have approximately:

- 48% of the total US population;
- 69,971 bridges that are structurally deficient or functionally obsolete;
- 47% of the total number of such defective bridges in the USA; and
- 51% of the total US land area.

## GEORGIA INFRASTRUCTURE

### Second GDOT/FHWA funded highway repair project

The second, jointly funded by the Federal Highway Administration (FHWA) (80%) and the Georgia Department of Transportation (GDOT) (20%), highway repair project that included EdenCrete®, commenced late in September 2019 and finished in February 2020.

The US\$17.4 million project involved the replacement of numerous sections of concrete pavement along 17.35 miles of Interstate Highway I-285 and State Road SR 407. Initially the project was estimated to involve the replacement of 5,146 cubic yards of concrete, requiring 10,292 gallons of EdenCrete® worth US\$257,300.

As happened with the first FHWA jointly funded project, where the initial scope of the project was expanded by almost 40%, by the end of the second project EdenCrete worth approximately US\$550,000 was required to complete it.

Two such FHWA jointly funded projects are anticipated to take place in Georgia during the remainder of FY 2021.

### GDOT funded repair projects

During the year, four State funded repair projects requiring approximately US\$107,500 worth of EdenCrete® were advertised for tender but due to delays, these projects did not occur, and are now scheduled to take place sometime in FY2021.

### GDOT - First EdenCrete® bridge trial in Georgia

The first EdenCrete® bridge trial with GDOT commenced on a bridge across Little River, with EdenCrete® being tested in new concrete decking. The construction of the new decking commenced in November 2019 and was completed in December 2019.

The fresh properties of the EdenCrete® concrete satisfied all the required specifications. Further, the EdenCrete® concrete was tested for compressive strength and flexural strength over a 28 day period, delivering the following positive results:

After 24 Hours - Compressive strength [12% over design]	2767 PSI
After 72 Hours - Compressive strength [37% over design]	4790 PSI
After 28 Days - Compressive strength [70% over design]	6787 PSI
After 28 Days - Flexural strength [41% over design]	915 PSI

The performance of the concrete decking will be monitored for the period of the trial, which could be up to 2 years. However, this monitoring period may be reduced by GDOT if it is satisfied with the performance levels that are achieved in other existing bridge trials of EdenCrete® that are being conducted by other DOTs, some of which have already been underway for more than a year.

### GDOT Mainline Paving

Following the successful completion of a 12 months field trial, EdenCrete® was approved for use on GDOT construction and maintenance projects for mainline paving. The trial took place on a state highway in Comer County, Georgia and involved adding EdenCrete® into 80 yards of a new, two lane concrete highway [see Figure 1].



Figure 1. Completed section of highway with added EdenCrete®.

The successful 12 months' evaluation undertaken by GDOT, that only commenced after the new roadway was opened to traffic, resulted in the GDOT New Products Evaluation Committee accepting EdenCrete® for use in the construction and maintenance of new concrete pavements under GDOT Specifications Sections 430 and/or 439.

This successful outcome opens the way for the possible future use of EdenCrete® in the construction of new roads and highways in Georgia. The total annual budget for new roads (both asphalt and concrete) in Georgia currently exceeds US\$700 million per annum.

#### Georgia Port Authority - Port of Savannah

During the year, the Port of Savannah (part of the Georgia Port Authority) conducted a trial of EdenCrete® in a section of concrete on one of its wharves that is subject to a very heavy loading and abrasion from the wheels of the large container cranes moving back and forth as containers are loaded and unloaded (known as the "runway") (see Figure 2). The concrete runways at the port are exposed to both a salty environment and extreme rolling loads and abrasive wear that cause cracking, abrasion and breakdown of the concrete, requiring the worn concrete to be frequently ripped up and replaced under a highly disruptive, scheduled maintenance programme.

The trial was undertaken and all the laboratory trials of the compressive strength of the concrete that was used collectively showed that the EdenCrete® concrete comfortably exceeded the minimum strength requirements. The trial involved the monitoring of the longer term performance of the concrete. This trial and review of performance was successfully completed during the first half of 2020. Following which EdenCrete® was named in specifications for its first commercial GPA project (500 CY of concrete), the date for which has not yet been determined.

Further trials for GPA are also planned, including chloride permeability, ASR mitigation, freeze/thaw protection, chemical scaling resistance and shrinkage reduction. Development of specialised EdenCrete® marine mix is currently being undertaken at Eden's Colorado laboratory.



Figure 2. Container crane at Port of Savannah showing wheels on "runway".

The Port of Savannah, the third busiest container port in the USA, is planning to nearly double its capacity over the next 8 years, and along with opportunities at other ports in Georgia as well as along both the US Atlantic coast and the Gulf of Mexico, offers great potential for future EdenCrete® sales.

In preparation for this, Eden has been developing for several months its own EdenCrete® marine concrete mix which it hopes will be approved and specified as the concrete mix design in suitable projects in ports around the USA in coming years.

#### Three Ready-Mix developing or selling proprietary EdenCrete® concrete mixes

During the year Eden secured its first Georgia based ready-mix operator that had developed a proprietary concrete mix incorporating EdenCrete® products, that it is now marketing this concrete mix on a regular basis.

This follows similar success in Colorado, where after the development by one ready-mix operator of an EdenCrete® enhanced concrete mix, others followed and now 8 ready-mix operators have proprietary EdenCrete® mixes, leading to rapidly increasing EdenCrete® sales in Colorado, which is hoped will also occur in Georgia and adjoining South Carolina.

### COLORADO

#### Continued growth of EdenCrete® sales in Colorado

During the year, usage and sales of EdenCrete® products in Colorado continued to rise in spite of obstacles raised by COVID-19. Currently there are 8 ready-mix operators and 4 shotcrete operators in Colorado using EdenCrete® on a regular basis.

The 8 ready-mix companies, between them, have EdenCrete® dispensing systems installed at 13 different plant sites, that regularly use EdenCrete® products. These 8 companies also include 3 ready-mix companies (with 4 plants between them) that only commenced using EdenCrete® in FY 2020.

Further, as a result of the improved performance and durability delivered by EdenCrete® products, a growing number of government bodies, contractors and property owners are now regularly specifying EdenCrete® on a repeat basis for a range of projects, some examples of which are as follows:



## REVIEW OF OPERATIONS (Continued)

### Colorado DOT Central 70 Project

Since late 2018, EdenCrete® has been continuously used in shotcrete on the Colorado DOT Central 70 project on the Interstate Highway I-70. This project involves the reconstruction of 10 miles of the I-70, including sinking part of the highway. The EdenCrete® shotcrete mix is used in buttress and retaining walls along the highway (see Figures 3-5). The project is estimated to require 6,000-10,000 cubic yards of shotcrete. EdenCrete® is added at 0.5 gallons per cubic yard.



Figure 3. Retaining wall along Central 70 project constructed using EdenCrete® shotcrete.



Figure 4. Retaining wall being constructed along Central 70 project using EdenCrete® shotcrete.



Figure 5. Retaining wall constructed under bridge using EdenCrete® on Central 70 project.

### Professional Sporting Stadium

During the year EdenCrete® was purchased for use in a number of separate, often reasonably small, concrete repair projects at different parts of a professional sporting stadium (see Figures 6-13). The collective outcome from the repeated successful performance of EdenCrete® in these various situations (as well as others) has opened up sporting stadiums and arenas as a new EdenCrete® market that Eden is now actively targeting.



Figure 6. Interior Corridors- 3 inch thick EdenCrete® concrete overlay repair on a drainage system and suspended deck.





Figure 7. Perimeter Facilities - 5- 6 inch thick, full-depth slab repair.

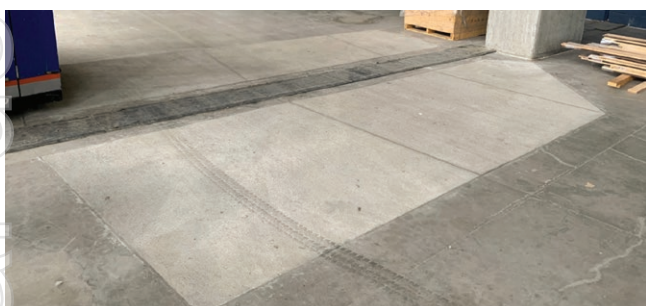


Figure 8. Interior Corridors- 4 inch thick overlay on suspended slab.



Figure 9. Access for Ticket Turnstiles - 5-6 inch thick full-depth slab.



Figure 10. Centres for Health, Nutrition and Physical Therapy- EdenCrete® used in shotcrete for walls.



Figure 11. Exterior Corridors - 5-6 inch thick full-depth slab.

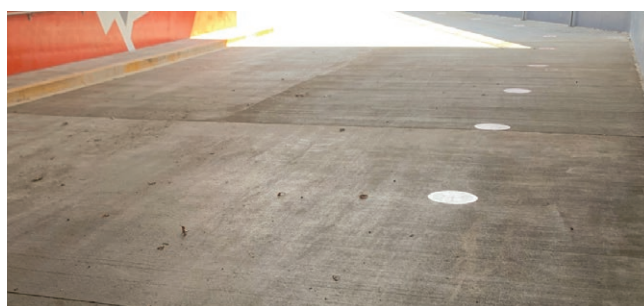


Figure 12. Freight Access Ramps- 8 inch thick slab on grade using 5000psi [35MPa] structural concrete.



Figure 13. Steel Bollard security Screening Areas - 6 inch thick full-depth slab.

### Town of Breckenridge

During the year, the Town of Breckenridge has specified that EdenCrete® be included in a number of projects undertaken by the Town since early in 2020. This follows a successful result from an initial project involving EdenCrete® that was carried out early in 2020.

## REVIEW OF OPERATIONS (Continued)

### NEW YORK

#### EdenCrete®Pz – First Sale into New York Market

During the year Eden received its first order for EdenCrete®Pz in New York from United Transit, a ready-mix operator, for use in concrete that is used in the construction of low-mid-rise buildings (see Figure 14). A bulk tank and dispensing system was installed, enabling dosing of EdenCrete®Pz into the concrete during batching in the same automated manner as other components are added.

Subsequent to the first order, re-supply was not possible for six months due to COVID -19 restrictions. Once these restrictions were eased, a second delivery of EdenCrete® was made towards the end of June 2020.



Figure 14. United Transit concrete being supplied to a construction project in New York.

### SOUTH CAROLINA

#### Industrial Flooring and Hardstand Areas

A key target market for EdenCrete® is industrial flooring for manufacturing / warehouse flooring, and hard stand areas. Interest for similar applications, in the range of performance benefits and project lifecycle cost savings delivered by EdenCrete®, continues to grow amongst a range of general contractors, architects, engineers, and ready-mix suppliers.

During the year, the first order was received for EdenCrete® for use in a concrete storage area at a plant in South Carolina for a major international tyre company. Following the successful results delivered by EdenCrete®, Eden US received its largest, repeat order (not related to a GDOT project), to supply US\$120,000 worth of EdenCrete® to the same contractor who had previously used EdenCrete® this

earlier South Carolina project, as well as in several other similar projects. The contractor won the competitive tender process for the new project, with a bid including EdenCrete®, to construct a new 200,000 square foot (18,500 square metres) external concrete industrial storage area that was to be subject to heavy-duty wear at an industrial plant (see Figure 15).



Figure 15. 200,000 square foot Industrial slab being poured.

This order supplied a combination of EdenCrete® and EdenCretePz® to create tougher, more durable concrete that is better able to handle both the heavy loading, and the constant abrading forces from heavy forklift traffic. The engineering firm engaged on the project approved a number of design specifications for the concrete, including a mix incorporating EdenCrete® and EdenCrete Pz®.

Significantly, due to the performance benefits delivered by the EdenCrete® products, the engineering firm approved a reduction by 7.5% in the design thickness of the EdenCrete® concrete slab, compared with other mix designs, whilst still meeting the required performance levels.

The successful contractor won the tender with a bid using an EdenCrete® enhanced concrete, against a competitive bid from another contractor that proposed a mix design involving metallic fibres to achieve the required performance specification

#### Three similar industrial flooring projects in South Carolina have occurred with a second large company

As a result of subsequent recommendations by the contractor involved in these earlier projects in South Carolina, EdenCrete® trials were conducted with another large company in South Carolina and a positive outcome from these trials has now resulted in Eden having receiving three separate orders for EdenCrete® to be used in three similar warehouse projects in South Carolina for this second company (see Figure 16).

### OHIO

During the year the first order was received from an Ohio based ready-mix company and a bulk tank and dispensing system was installed in their plant. This represents the first sale into Ohio.





**Figure 16. Warehouse floor project for second large company in South Carolina.**

## UTAH

During the year two ready-mix plants and one shotcrete operator installed storage and dispensing equipment to add EdenCrete® in their standard concrete mixes.

## ILLINOIS, INDIANA, MASSACHUSETTS, NORTH CAROLINA, WISCONSIN, OKLAHOMA, FLORIDA, TEXAS, PENNSYLVANIA

During the year, trials with new and a number of potentially significant customers that operate in a range of market sectors took place, are presently underway or being planned in Illinois, Indiana, Massachusetts, North Carolina, Wisconsin, Oklahoma, Florida, Texas and Pennsylvania.

This significant extension of the EdenCrete® footprint in the US is an important development and is considered likely to result in significantly increased US sales emerging over the coming year. The recent appointment of the initial commission-only sales representatives, who operate in States where EdenCrete® products have not yet been sold, is anticipated to accelerate this growth in the US EdenCrete® footprint.

Further, based upon Eden's experience over the past three years a considerable proportion of the growth in EdenCrete® sales occur following successful trials or projects, with news of successes being passed on to potential new customers by various means, including by contractors who undertook the successful project.

## AUSTRALIA AND NEW ZEALAND EXCLUSIVE DISTRIBUTOR

In November 2019, Parchem Construction Supplies Pty Ltd [Parchem], the Australian and New Zealand distributor of the EdenCrete® range of products, was successful in obtaining approval in Australia for up to 60,000 litres of EdenCrete® to be imported and trialled. The delay in obtaining this approval

was due to no prior applications having been made to import into Australia products containing carbon nanotubes.

After extensive communications over many months, NICNAS, the Australian Government body that assesses chemical products that are proposed to be manufactured in, or imported into, Australia advised that it considers that it has received sufficient information to enable it to commence the formal assessment of the EdenCrete® products that Parchem, wishes to import.

Commercial trials of EdenCrete®, which is being paid for by the customers, have since commenced and Parchem has already received approximately 40 requests to conduct commercial trials. It is hoped that the final approval that will enable unrestricted commercial sales in Australia to commence, will be received later in 2020.

## INDIA

During the year a series of meetings took place in India with a number of major concrete manufacturers and/or construction companies, as well as with a number of relevant government agencies. A very positive response was received from all groups.

As a result, a number of samples of Indian cement and fly ash were dispatched to Eden in Colorado for preliminary trialling, which produced positive results. In consequence Eden's chief scientist visited India a number of times and participated in laboratory trials that were conducted by a number of these large Indian companies.

Eden has, since the end of the financial year, received its first purchase order to be used for commercial applications in India, from Godrej Ready Mix, a part of the highly respected Godrej Group of companies, with which Eden has been developing a range of EdenCretePz® concrete mixes with high fly ash content for some time.

## EUROPE

Extensive trials of EdenCrete® products by a large European construction company commenced in July 2019 and were scheduled to be completed in the first half of 2020. However due to COVID 19, the trials were shut down from February 2020 until August 2020. At the date of this report these trials have recommenced, with finalisation anticipated before the end of CY2020.

## ISRAEL

A diversified Israeli company, that runs several ready-mix plants has been undertaking repeated trials of EdenCrete® products for a range of applications and is achieving encouraging results. Subsequent to the end of the year the Israeli company placed its first order of EdenCrete® products that are to be used in a number of commercial trials.



## REVIEW OF OPERATIONS (Continued)

### SOUTH KOREA

Trials of EdenCrete® by a number of South Korean companies have taken place in spite of difficulties due to COVID 19. One such trial with a major ready-mix company is still ongoing.

### OPTIBLEND®

During the year Eden recorded the following Optiblend® sales:

#### Optiblend® Invoiced Sales for the year ended 30 June 2020

	SALES (A\$000's)
USA	759
INDIA	170
TOTAL	929

These sales represent a 29% increase over the aggregate sales recorded in FY2019, and Eden remains optimistic that OptiBlend® sales will continue to increase over the coming year in both the USA and India. The proposed appointment of further suitable, commission-only sales representatives could assist in achieving this outcome.

### EDENPLAST™

A Japanese plastics company has expressed an interest in testing EdenPlast® and a concentrated master match for testing by the Japanese company is presently being made in Australia. A non-disclosure agreement to protect each party's intellectual property rights is currently being finalized.

### INTELLECTUAL PROPERTY

#### USA Patents Allowed for EdenCrete® and EdenPlast®

During the year, the US Patent and Trademark Office issued one application and allowed another application, both were lodged in 2017. Details of these two USA patents are as follows:

- US Patent application no. 15/597,198 has been allowed and includes 24 claims directed to the production of the EdenCrete® family of products; and
- US Patent No. 10,472,240 has issued and includes 16 claims directed to the production of the EdenPlast® family of products.

In addition, corresponding patent applications have been lodged in the USA that include claims directed to the composition of the EdenCrete® and EdenPlast® family of products. Corresponding patent applications have also been lodged in five other countries pursuant to the Patent Convention Treaty.

These two USA patents are both broad in their scope, covering in each case the use of a wide variety of carbon nanoparticles in the manufacture of concrete and plastic products including carbon nanotube particles, carbon nanofiber particles, graphene particles, graphite particles, carbon black, polycrystalline carbon particles, nano-diamonds and fullerene particles.

The two USA patents are intended to provide significant protection in the USA for the considerable intellectual property that Eden has developed over the past 10 years in relation to the EdenCrete® and EdenPlast® family of products.

Eden now holds ten USA patents protecting its technologies in different areas, along with corresponding patents in a number of other countries. Eden also holds three other current USA patent applications that are still being considered.

### CORPORATE

#### FY 2020 Share Purchase Plan

During the year, the company completed a successful share purchase plan (SPP), which raised \$2,908,000 (before costs) through the issue of 58,160,000 shares at an issue price of 5 cents per share. The funds raised were used for general working capital.

#### New Executive Appointments

During the year Dag Grantham took over the role of CEO of Eden US. Dag joined Eden in September 2016 as Senior Vice President Business Development. Dag has an impressive background that includes 20 years of distinguished leadership in the US Air Force, General Manager of National Specialty Aggregates, a wholly owned subsidiary of Pebble Technology Inc., and Director of Flight Standards for NetJets Aviation.

#### Secured loan of US \$3 million completed

To fund ongoing working capital, Eden secured US\$3.00 million (A\$4,086,437) in debt financing by way of an 18-months, interest only loan which is secured against Eden's three freehold properties in the USA.

#### Cares Act Loan

Eden US also received a USA Government backed loan of US\$634,000, under the US Government's COVID 19 stimulus package, which is likely to become a grant and not be repayable provided certain conditions related to continued employment are met.

#### FY2021 Share Purchase Plan

Since the end of FY2020, Eden completed a further, well supported Share Purchase Plan (SPP) that closed on 23 July 2020, with shareholders subscribing a total of \$4,244,897 for 151,603,497 shares.

## DIRECTORS' REPORT

Your directors present their report on the Company and its controlled entities [the Group] for the financial year ended 30 June 2020.

### Directors

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

Gregory H Solomon

Stephen D Dunmead

Douglas H Solomon

Lazaros Nikeas

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

### Company Secretary

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

Mr Aaron P Gates has worked for Eden Innovations Ltd for the past 12 years. He is a Chartered Accountant and Chartered Secretary. He has completed a Bachelor of Commerce [Curtin University] with majors in accounting and business law and completed a Diploma of Corporate Governance. Prior to joining Eden he worked in public practice in audit and corporate finance roles.

### 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 consolidated group's principal activities during the financial year.

### Operating Results

The consolidated loss of the Group after providing for income tax amounted to \$9,105,991 (2019: \$9,216,320).

### 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 2020 is set out in the Review of Operations on Page 5.

### Financial Position

The net assets of the consolidated group have decreased from \$21,039,734 at 30 June 2019 to \$15,732,512 at 30 June 2020. The group's working capital, being current

assets less current liabilities, has decreased from \$2,853,033 at 30 June 2019 to \$709,646 at 30 June 2020.

### Significant Changes in State of Affairs

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

### After Balance Date Events

The impact of the Coronavirus [COVID-19] pandemic is ongoing and whilst it has had limited financial impact for the Group up to 30 June 2020, it is not practicable to estimate the potential impact, positive or negative, after the reporting date. The situation is rapidly developing and is dependent on measures imposed by the Australian Government and other countries, such as maintaining social distancing requirements, quarantine, travel restrictions and any economic stimulus that may be provided.

On 28 July 2020 151,603,497 fully paid ordinary shares were issued at \$0.028 each pursuant to a Share Purchase Plan, raising \$4,244,897.

On 30 July 2020 2,206,896 fully paid ordinary shares were issued to Mr Stephen Dunmead and Mr Lazaros Nikeas pursuant to resolutions passed at the general meeting held on 2 July 2019.

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 proposes to continue developing and marketing its technologies, including EdenCrete® and OptiBlend® as detailed in the Review of Operations.

### 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

Interest in Shares and Options

Directorships held in other listed entities

#### Douglas H Solomon

Qualifications

Experience

Interest in Shares and Options

Directorships held in other listed entities

#### Lazaros Nikeas

Qualifications

Experience

Interest in Shares and Options

Directorships held in other listed entities -

#### Stephen D Dunmead

Qualifications

Experience

Interest in Shares and Options

Directorships held in other listed entities -

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 15 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.

45,369,342 Ordinary Shares

2,037,244 EDEOB Options

Tasman Resources Limited (ASX:TAS)

Conico Limited (ASX:CNJ)

Non-Executive Director

#### BJuris LLB (Hons)

Board member since May 2004. A Barrister and Solicitor with more than 30 years' experience in the areas of mining, corporate, commercial and property law. He is a partner in the legal firm, Solomon Brothers.

38,945,878 Ordinary Shares

1,756,633 EDEOB Options

Tasman Resources Limited (ASX:TAS)

Conico Limited (ASX:CNJ)

Non-Executive Director

#### B.A.

Board member since May 2018. Mr Nikeas is an experienced investment and private equity professional with over 17 years of US finance experience. Mr Nikeas is currently a Principal investment manager for Weston Energy LLC, a portfolio company of New York private equity group, Yorktown Partners LLC. Prior to this, he was Lead Partner and Principal of Traxys Capital Partners, a private equity vehicle focused on mining, chemicals and industrial investments in partnership with The Carlyle Group.

Before moving into private equity, he served as the Head of Corporate Finance Advisory for Materials, Mining and Chemicals for North America for BNP Paribas for five years. Other investment banking roles included Partner in Mergers & Acquisitions Advisory at Hill Street Capital for eight years and as a Corporate Finance Analyst at Morgan Stanley, where he began his career. Altogether, he has advised on over US\$25 billion of mergers and acquisitions transactions.

2,920,760 Ordinary Shares

Non-Executive Director

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

Board member since May 2018. Based in the US, Dr Dunmead is a global business executive with over 30 years of strong operational leadership experience in the US based global materials industry. He served as Chief Operating Officer at SWM International (NYSE: SWM) in Georgia where he was responsible for over 3,000 employees across 20 sites of the company's global operations in North and South America, Europe and Asia, accounting for US\$0.8 billion of revenue and US\$180 million in EBITDA. At SWM International he led the business into the high growth and high margin filtration and medical sectors.

Prior to SWM International, Dr Dunmead spent over 15 years at OM Group (NYSE: OMG) in Ohio where he was a member of the Corporate Executive Team and had responsibility for six businesses with more than 6,500 employees across 32 sites in North America, Europe, Asia and Africa. Together, these businesses represented US\$1.5 billion in revenue and US\$255 million in EBITDA. Dr Dunmead holds 25 US Patents on Advanced Materials and Specialty Chemicals.

3,920,760 Ordinary Shares

## DIRECTORS' REPORT

### REMUNERATION REPORT (AUDITED)

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

#### Remuneration policy

The remuneration policy of Eden Innovations Ltd has been designed to align director and executive 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 consolidated 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 consolidated Group, as well as create goal congruence between directors, executives and shareholders.

The board's policy for determining the nature and amount of remuneration for board members and senior executives of the economic entity is as follows:

- Executives receive a base salary (which is based on factors such as length of service and experience), superannuation (401k match), fringe benefits and share performance rights.

Executives are also entitled to participate in the employee share and option arrangements.

All remuneration paid to directors and executives 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. Fees for non-executive directors are not linked to the performance of the consolidated Group. However, to align directors' interests with shareholder interests, the directors are encouraged to hold shares in the Company and are able to participate in the employee share option plan.

#### Performance-based remuneration

No performance based remuneration was paid during the year.

#### Key Management Personnel Remuneration Policy

The Board's policy for determining the nature and amount of remuneration of management for the Group is as follows:

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 Company. The contracts for service between the Company 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.

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

Gregory H Solomon

- Executive Chairman

Douglas H Solomon

- Non-Executive Director

Lazaros Nikeas

- Non-Executive Director

Stephen D Dunmead

- Non-Executive Director

Don Grantham Jr

- President & CEO - Eden Innovations LLC

[formerly Senior Vice President Business Development - Eden Innovations LLC]

Roger W Marmaro

- President Sales Eden Innovations LLC

[formerly President Eden Innovations LLC]

Aaron P Gates

- Company Secretary / Chief Financial Officer



## DIRECTORS' REPORT

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	
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>2020</b>										
Gregory Solomon	281,250	-	-	7,125	-	-	-	-	-	288,375
Douglas Solomon	50,625	-	-	1,283	-	-	-	-	-	51,908
Lazaros Nikeas	50,625	-	-	-	-	-	32,000	-	-	82,625
Stephen Dunmead[a]	176,197	-	-	-	-	-	32,000	-	-	208,197
Don Grantham Jr [c]	400,112	22,306	-	23,782	-	-	-	27,423	33,536	507,159
Roger Marmaro[d]	499,305	26,272	-	19,921	-	-	-	62,968	43,610	652,076
Aaron Gates	[b]	-	-	-	-	-	-	944	17,222	18,166
	1,458,114	48,578	-	52,111	-	-	64,000	91,335	94,368	1,808,506
<b>2019</b>										
Gregory Solomon	300,000	-	-	28,500	-	-	-	-	-	328,500
Douglas Solomon	54,000	-	-	5,130	-	-	-	-	-	59,130
Lazaros Nikeas	54,000	-	-	-	-	-	48,000	-	-	102,000
Stephen Dunmead[a]	267,256	-	-	-	-	-	88,000	-	-	355,256
Roger Marmaro[d]	586,906	32,830	-	25,188	-	-	-	116,410	-	761,334
Aaron Gates	[b]	-	-	-	-	-	-	5,873	-	5,873
	1,262,162	32,830	-	58,818	-	-	136,000	122,283	-	1,612,093

[a] Mr Stephen Dunmead provided short-term consulting services to the group during the period.

[b] 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. The Management Services Agreement may be terminated by giving not less than three months' written notice. During the year the Company paid \$281,250 (2019: \$300,000) to Princebrook Pty Ltd for management services. It was agreed that the Management Services fee was reduced by 25% for the months of April to June 2020.

[c] The appointment of Don Grantham Jr may be terminated by giving not less than three months' written notice. Don Grantham Jr. was appointed as President & CEO - Eden Innovations LLC during the year, this table includes all remuneration paid during the year to Don Grantham Jr.

[d] The appointment of Roger Marmaro may be terminated by giving not less than two months' written notice.

### Other transactions with key management personnel

Management fees of \$262,500 were paid and \$18,750 was payable to Princebrook Pty Ltd, a company in which Mr GH Solomon and Mr DH Solomon have an interest.

Legal fees of \$23,581, based on normal market rates, were paid to Solomon Brothers, a firm in which Mr GH Solomon and Mr DH Solomon are partners.

## DIRECTORS' REPORT

### Number of Options Held by Key Management Personnel

	Balance 30.6.2019	Granted as Compensation	Options Exercised	Net Change* Other	Balance 30.6.2020	Total Vested 30.6.2020	Total Exercisable 30.6.2020	Total Unex- ercisable 30.6.2020
Gregory Solomon	2,037,244	-	-	-	2,037,244	2,037,244	2,037,244	-
Douglas Solomon	1,756,633	-	-	-	1,756,633	1,756,633	1,756,633	-
Lazaros Nikeas	2,400,000	-	-	[2,400,000]	-	-	-	-
Stephen Dunmead	2,400,000	-	-	[2,400,000]	-	-	-	-
Don Grantham Jr	-	1,000,000	-	-	1,000,000	1,000,000	1,000,000	-
Roger Marmaro	10,000,000	-	-	[10,000,000]	-	-	-	-
Aaron Gates	458,750	-	-	[450,000]	8,750	8,750	8,750	-
Total	19,052,627	1,000,000	-	[15,250,000]	4,802,627	4,802,627	4,802,627	-

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

### Number of Performance Rights held by Key Management Personnel

	Balance 30.6.2019	Received as Compensation	Exercised	Balance 30.6.2020
Gregory Solomon	-	-	-	-
Douglas Solomon	-	-	-	-
Lazaros Nikeas	-	-	-	-
Stephen Dunmead	-	-	-	-
Don Grantham Jr	-	3,000,000	-	3,000,000
Roger Marmaro	-	3,500,001	-	3,500,001
Aaron Gates	-	1,200,000	-	1,200,000
Total	-	7,700,001	-	7,700,001

### Number of Shares held by Key Management Personnel

	Balance 30.6.2019	Received as Compensation	Options Exercised	Net Change* Other	Balance 30.6.2020
Gregory Solomon	44,819,342	-	-	550,000	45,369,342
Douglas Solomon	38,645,878	-	-	300,000	38,945,878
Lazaros Nikeas	-	1,817,312	-	-	1,817,312
Stephen Dunmead	-	2,817,312	-	-	2,817,312
Don Grantham Jr	-	-	-	-	-
Roger Marmaro	2,478,648	-	-	-	2,478,648
Aaron Gates	192,500	-	-	-	192,500
Total	86,136,368	4,634,624	-	850,000	91,620,992

\* Net Change Other refers to shares purchased or sold during the financial year.

<End of Remuneration Report>

## DIRECTORS' REPORT

### Meetings of Directors

During the financial year, 8 meetings of directors were held. Attendances by each director during the year were as follows:

	Number eligible to attend	Number attended
Gregory H Solomon	8	8
Douglas H Solomon	8	8
Lazaros Nikeas	8	8
Stephen D Dunmead	8	8

### 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
28 August 2017	30 November 2020	\$0.25	330,000
8 March 2019	8 March 2021	\$0.08	69,695,884
20 June 2019	1 June 2021	\$0.07	6,000,000
20 June 2019	1 June 2021	\$0.08	6,000,000
20 December 2019	19 December 2022	\$0.065	1,000,000
			<u>83,025,884</u>

The Options expiring on 30 November 2020 and 19 December 2022 are all held, pursuant to the Company's Employee Share Option Plan, by overseas employees or directors of subsidiaries of the Company or key consultants. 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.

At the date of this report unissued shares of the Group under performance rights are 26,391,012.

### 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 \$116,050.

### Proceedings on Behalf of 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.

### Non-audit Services

No fees for non-audit services were paid or are payable to the external auditors during the year ended 30 June 2020.

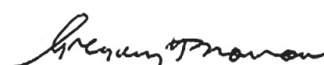
### Auditor's Independence Declaration

The lead auditor's independence declaration for the year ended 30 June 2020 has been received and can be found on page 19.

### 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 23<sup>rd</sup> day of September 2020



### Lead auditor's independence declaration under section 307C of the Corporations Act 2001

To the directors of Eden Innovations Ltd

I declare that, to the best of my knowledge and belief, in relation to the audit for the financial year ended 30 June 2020 there have been:

- (i) no contraventions of the auditor's independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit.

NPAS

**Nexia Perth Audit Services Pty Ltd**

A handwritten signature in black ink, appearing to read 'M. Janse Van Nieuwenhuizen'.

**M. Janse Van Nieuwenhuizen | Director**  
**Perth**  
**23 September 2020**

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Audit Services Pty Ltd**  
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## CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR YEAR ENDED 30 JUNE 2020

	Note	Consolidated Group	
		2020	2019
		\$	\$
Revenue	2	2,427,105	2,334,901
Other income		4,034	28,046
Changes in inventories		(54,646)	82,586
Raw materials and consumables used		(504,926)	(489,447)
Depreciation and amortisation expense		(1,290,148)	(1,089,362)
Employee benefits expense	3a	(5,482,160)	(5,526,330)
Finance costs		(477,371)	(34,167)
Legal and consultants		(948,088)	(1,321,719)
Management fees		(281,250)	(300,000)
Other financial items	4	19,409	(8,893)
Other expenses		(2,199,101)	(2,477,458)
Travel and accommodation		(346,640)	(488,164)
Loss before income tax		(9,133,782)	(9,290,007)
Income tax (expense)/benefit	7	27,791	73,687
Loss for the year		(9,105,991)	(9,216,320)
<b>Other Comprehensive Income / (Loss)</b>			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Foreign currency translation reserve		482,298	622,754
Income tax relating to comprehensive income		-	-
Total Other Comprehensive Income / (Loss), net of tax		482,298	622,754
<b>Total Comprehensive Income / (Loss) attributable to members of the parent</b>		<b>(8,623,693)</b>	<b>(8,593,566)</b>
Basic/Diluted loss per share (cents per share)	6	(0.5316)	(0.5969)

The accompanying notes form part of these financial statements.

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2020

	Note	Consolidated Group	
		2020	2019
		\$	\$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	9	1,388,683	3,217,555
Trade and other receivables		396,366	315,267
Inventories	10	701,781	735,290
Other current assets		98,084	58,307
TOTAL CURRENT ASSETS		2,584,914	4,326,419
NON-CURRENT ASSETS			
Property, plant and equipment	11	11,999,422	12,463,621
Intangible assets	12	8,223,113	6,524,192
TOTAL NON-CURRENT ASSETS		20,222,535	18,987,813
TOTAL ASSETS		22,807,449	23,314,232
CURRENT LIABILITIES			
Trade and other payables	13	878,389	1,069,010
Interest bearing liabilities	14	816,566	247,422
Provisions	15	180,313	156,954
TOTAL CURRENT LIABILITIES		1,875,268	1,473,386
NON-CURRENT LIABILITIES			
Interest bearing liabilities	14	5,181,439	772,355
Other liabilities		18,230	28,757
TOTAL NON-CURRENT LIABILITIES		5,199,669	801,112
TOTAL LIABILITIES		7,074,937	2,274,498
NET ASSETS		15,732,512	21,039,734
EQUITY			
Issued capital	16	105,503,776	102,636,700
Reserves	20	9,885,426	8,953,733
Accumulated losses		[99,656,690]	[90,550,699]
TOTAL EQUITY		15,732,512	21,039,734

The accompanying notes form part of these financial statements.

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR YEAR ENDED 30 JUNE 2020

	Consolidated Group				
	Fully Paid Ordinary Shares	Share based payment Reserve	Foreign Currency Translation Reserve	Accumulated Losses	Total
	\$	\$	\$	\$	\$
<b>Balance at 30 June 2018</b>	91,230,956	7,668,777	196,216	(81,334,379)	17,761,570
Shares issued during the year, net of issue costs	11,405,744	-	-	-	11,405,744
Share based payments during the year	-	465,986	-	-	465,986
Loss for year	-	-	-	(9,216,320)	(9,216,320)
Other comprehensive income	-	-	622,754	-	622,754
Total comprehensive income/([loss])	-	-	622,754	(9,216,320)	(8,593,566)
<b>Balance at 30 June 2019</b>	102,636,700	8,134,763	818,970	(90,550,699)	21,039,734
Shares issued during the year, net of issue costs	2,867,076	-	-	-	2,867,076
Share based payments during the year	-	449,395	-	-	449,395
Loss for year	-	-	-	(9,105,991)	(9,105,991)
Other comprehensive income	-	-	482,298	-	482,298
Total comprehensive income/([loss])	-	-	482,298	(9,105,991)	(8,623,693)
<b>Balance at 30 June 2020</b>	105,503,776	8,584,158	1,301,268	(99,656,690)	15,732,512

The accompanying notes form part of these financial statements.

## CONSOLIDATED STATEMENT OF CASH FLOWS FOR YEAR ENDED 30 JUNE 2020

	Note	Consolidated Group	
		2020	2019
		\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		2,441,797	2,400,657
Payments to suppliers and employees		[9,729,590]	[9,623,820]
Income taxes [paid]/received		27,791	73,687
Interest paid		[119,376]	[27,677]
Interest received		3,688	3,167
Net cash used in operating activities	18	[7,375,690]	[7,173,986]
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment	11	[97,120]	[1,980,308]
Payment for research and development	12	[2,180,633]	[2,068,407]
Net cash used in investing activities		[2,277,753]	[4,048,715]
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of shares, net of issue costs		2,843,473	11,298,297
Proceeds from borrowings, net of borrowing costs		8,125,557	-
Repayment of borrowings		[3,122,254]	[355,086]
Net cash provided by financing activities		7,846,776	10,943,211
Net increase/(decrease) in cash held		[1,806,667]	[279,490]
Net increase/(decrease) due to foreign exchange movements		[22,205]	7,315
Cash at beginning of financial year		3,217,555	3,489,730
Cash at end of financial year	9	1,388,683	3,217,555

The accompanying notes form part of these financial statements.



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

### NOTE 1: STATEMENT OF SIGNIFICANT 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 and its controlled entities as at and for the year ended 30 June 2020. 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 23 September 2020 by the Board of Directors.

The following is a summary of the material accounting policies adopted by the consolidated Group in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

#### Basis of Preparation

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

#### 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, financial assets and financial liabilities for which the fair value basis of accounting has been applied. These consolidated financial statements are presented in Australian dollars, which is the parent's functional currency. The subsidiaries' functional currencies are USD and INR.

#### Going Concern

These financial statements have been prepared on a going concern basis, which contemplates continuity of normal business activities and the realisation of assets and extinguishment of liabilities in the ordinary course of business.

The Group has reported a net loss for the year of \$9,105,991 (2019: \$9,216,320) and a cash outflow from operating activities of \$7,375,690 (2019: \$7,173,986). The directors are confident that the Group, subject to being able to raise further capital or debt funding, will be able to continue its operations as a going concern. Without such capital and or funding, the net loss for the year and the cash outflow from operating activities indicate the existence of a material uncertainty which may cast significant doubt about the Group's ability to continue as a going concern.

The continuing applicability of the going concern basis of accounting is dependent upon the Group's ability to source additional finance. Unless additional finance is received the Group may need to realise assets and settle liabilities other than in the normal course of business and at amounts which could differ from the amounts at which they are stated in these financial statements.

### Accounting Policies

#### a. Principles of Consolidation

A controlled entity is any entity Eden Innovations Ltd 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 21 to the financial statements. All controlled entities have a June year-end.

All inter-company balances and transactions between entities in the consolidated 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 parent entity.

#### 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, Eden Innovations Holdings Pty 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. The R&D tax rebate is recognised as income tax benefit upon receipt.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

### 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 Company's liability for employee benefits arising from services rendered by employees to balance 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. Property, Plant and Equipment

Each class of property, plant and equipment is carried at cost less, where applicable, any accumulated depreciation and impairment losses.

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.

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

Class of Fixed Asset	Depreciation Rate
Plant and equipment	6 – 20% 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. Financial Instruments

#### Initial recognition and measurement

Financial assets and financial liabilities are recognised when the entity 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 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 entity'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.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

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 entity's cash and cash equivalents, trade and most other receivables fall into this category of financial instruments.

### Trade and other receivables

The entity 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 entity uses its historical experience, external indicators and forward-looking information to calculate the expected credit losses.

### Classification and measurement of financial liabilities

The entity'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.

### 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.

### i. 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.

### j. 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.

### k. 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 parent entity'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.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

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.

### l. Equity-settled compensation

The Group operates an employee share option plan and performance rights plan. The total amount to be expensed over the vesting period is determined by reference to the fair value of the options or performance rights granted.

### m. Comparative Figures

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

### n. 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.

### o. 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, including AASB 16 Leases. The new and revised Standards and amendments thereof and Interpretations do not have any material impact on the disclosures or on the amounts recognised in the Group's consolidated financial statements.

AASB 16 Leases – The Group recognises leases using the modified retrospective approach and applies the

low value and short term exemptions in recognising leases in its financial statements. Upon application of the standard, the Group continues to recognise leases as lease expenses in profit or loss. There were no changes required to the consolidated financial report to recognise the requirements of AASB 16.

*Impacts of standards issued but not yet adopted by the Group*

The Group has reviewed the new standards issued but not yet adopted and does not expect that they will have a material impact on the financial statements..

### 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. At the date of this report the Group has sufficient reason to believe that the Group's intangible assets and property, plant & equipment are not impaired.

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 consolidated entity 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 3b for the inputs to the Black-Scholes model.

#### Key Estimates – Coronavirus [COVID-19] pandemic

Judgement has been exercised in considering the impacts that the Coronavirus [COVID-19] pandemic has had, or may have, on the consolidated entity based on known information. This consideration extends to the nature of the activities and geographic regions in which the consolidated entity operates. Other than as addressed in specific notes, there does not currently appear to be either any significant impact upon the financial statements or any significant uncertainties with respect to events or conditions which may impact the consolidated entity unfavourably as at the reporting date or subsequently as a result of the Coronavirus [COVID-19] pandemic.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

### NOTE 2: REVENUE

	2020 \$	2019 \$
Operating activities		
- EdenCrete® sales	1,498,121	1,614,546
- OptiBlend® sales and services	928,984	720,355
Total revenue	2,427,105	2,334,901

### NOTE 3: EMPLOYEE BENEFITS

	2020 \$	2019 \$
<b>a. Employee benefits expense</b>		
Expenses recognised for employee benefits are analysed below:		
Short-term employee benefits	[4,813,068]	[4,825,750]
Post-employment benefits	[219,157]	[246,650]
Share based payments	[449,935]	[453,930]
Total	[5,482,160]	[5,526,330]

#### b. Share-based Employee Remuneration

Included under employee benefits expense in the statement of profit or loss and other comprehensive income is \$449,395 [2019: \$453,930] which relates, in full, to equity settled share-based payment transactions. \$111,910 relates to options [2019: \$453,930] and \$337,485 relates to performance rights [2019: \$nil].

#### Options

All options granted to personnel are 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.

	2020		2019	
	Number of Options	Weighted Average Exercise Price \$	Number of Options	Weighted Average Exercise Price \$
Outstanding at the beginning of the year	29,859,422	0.226	36,382,462	0.234
Granted	1,000,000	0.065	-	-
Exercised	-	-	-	-
Cancelled/Lapsed	[29,529,422]	0.259	[6,523,040]	0.117
Outstanding at year-end	1,330,000	0.111	29,859,422	0.226
Exercisable at year-end	1,220,000	0.098	18,383,173	0.226

The options outstanding at 30 June 2020 had a weighted average exercise price of \$0.111 and a weighted average remaining contractual life of 1.96 years. No options were exercised during the year ended 30 June 2020.

Historical volatility has been the basis used for determining expected share price volatility as it is assumed that this is indicative of future tender, which may not eventuate. Volatility of 82-109% and a risk free rate of 0.88-2.24% were used in the Black-Scholes models. The life of the options is based on the historical exercise patterns, which may not eventuate in the future.



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

### Performance rights

On various dates during the year, 26,391,012 performance rights with \$nil exercise prices were granted to employees. Each grant comprised 3 classes. Class A vests upon commercial revenue reaching US\$6 million over a rolling 12 month period before 31 August 2021, Class B vests upon commercial revenue reaching US\$12 million over a rolling 12 month period before 31 August 2022 and Class C vests upon commercial revenue reaching US\$24 million over a rolling 12 month period before 31 August 2023. The value of each right is based on the share price on the date of grant. The values range from \$0.047 to \$0.065 per performance right.

	2020		2019	
	Number of Performance Rights	Weighted Average Exercise Price \$	Number of Performance Rights	Weighted Average Exercise Price \$
Outstanding at the beginning of the year	-	-	-	-
Granted	26,391,012	-	-	-
Exercised or Lapsed	-	-	-	-
Outstanding at year-end	26,391,012	-	-	-
Exercisable at year-end	-	-	-	-

### NOTE 4: OTHER FINANCIAL ITEMS

	2020 \$	2019 \$
Foreign exchange gain / [loss]	29,013	(8,893)
Impairment expense	(9,604)	-
Total	19,409	(8,893)

The impairment recognised during the year relates to Hythane Technology rights. The intellectual property for this item was fully impaired at year end.

### NOTE 5: AUDITORS' REMUNERATION

	2020 \$	2019 \$
Remuneration of the auditor of the parent entity for:		
— auditing or reviewing the financial report	40,296	50,428
— other services	-	-
Remuneration of other auditors of subsidiaries for:		
— auditing or reviewing the financial report	64,911	56,116
— other services	-	-

### NOTE 6: EARNINGS PER SHARE (EPS)

	2020 \$	2019 \$
Basic/ Diluted loss per share (cents per shares)	(0.5316)	(0.5969)
a. Reconciliation of earnings to profit or loss		
Profit/[loss]	(9,105,991)	(9,216,320)
Earnings used to calculate basic EPS	(9,105,991)	(9,216,320)
b. Weighted average number of ordinary shares outstanding during the year used in calculating basic EPS	1,712,911,601	1,544,110,867

The options on issue are not potentially dilutive shares.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

### NOTE 7: INCOME TAX BENEFIT

	2020 \$	2019 \$
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 27.5% [2019: 27.5%]	[2,504,148]	[2,534,488]
Add tax effect of:		
— Non-deductible expenses	8,592	7,169
— Current year tax losses not recognised	[48,905]	5,932,632
Less tax effect of:		
— Difference in overseas tax rates	374,410	358,264
— Current year temporary differences not recognised	2,142,260	[3,837,264]
Income tax expense/(benefit)	[27,791]	[73,687]
b. Components of deferred tax		
— Unrecognised deferred tax asset – losses	28,789,044	28,837,949
— Property, Plant & Equipment	[1,283,487]	[1,310,200]
— Capital raising costs	170,955	307,926
— Stock compensation	559,544	409,985
— Provisions and accruals	48,460	111,640
— Intangibles	[2,710,138]	[2,099,838]
Total unrecognised deferred tax asset	25,574,378	26,257,462

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.

### NOTE 8: 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 15.

	2020 \$	2019 \$
<b>Key Management Personnel</b>		
Management fees paid/payable to Princebrook Pty Ltd, a company in which Mr GH Solomon and Mr DH Solomon have an interest.	281,250	300,000
Legal fees paid to Solomon Brothers, a firm in which Mr GH Solomon and Mr DH Solomon are partners. At year end, no fees were payable [2019: \$3,830]	23,581	79,420
Unsecured interest free loan from Noble Energy Pty Ltd, a Company in which Mr GH Solomon and Mr DH Solomon are directors.	200,000	-

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

### NOTE 9: CASH AND CASH EQUIVALENTS

	2020 \$	2019 \$
Cash at bank and in hand	1,388,683	3,217,555
	<u>1,388,683</u>	<u>3,217,555</u>

#### 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	1,388,683	3,217,555
	<u>1,388,683</u>	<u>3,217,555</u>

### NOTE 10: INVENTORIES

	2020 \$	2019 \$
At cost	701,781	735,290
	<u>701,781</u>	<u>735,290</u>

### NOTE 11: PROPERTY, PLANT AND EQUIPMENT

30 June 2020	Land and buildings	Plant and equipment	Total
	\$	\$	\$
<b>Cost</b>			
Balance 1 July 2019	6,765,183	7,625,077	14,390,260
Additions	-	97,120	97,120
Net exchange differences	148,534	170,053	318,587
Balance 30 June 2020	<u>6,913,717</u>	<u>7,892,250</u>	<u>14,805,967</u>
<b>Depreciation and impairment</b>			
Balance 1 July 2019	(468,224)	(1,458,415)	(1,926,639)
Depreciation	(221,210)	(637,042)	(858,252)
Net exchange differences	(4,066)	(17,588)	(21,654)
Balance 30 June 2020	<u>(693,500)</u>	<u>(2,113,045)</u>	<u>(2,806,545)</u>
Carrying amount at 30 June 2020	<u>6,220,217</u>	<u>5,779,205</u>	<u>11,999,422</u>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

### NOTE 11: PROPERTY, PLANT AND EQUIPMENT CONTINUED

30 June 2019	Land and buildings	Plant and equipment	Total
	\$	\$	\$
<b>Cost</b>			
Balance 1 July 2018	4,677,346	7,112,611	11,789,957
Additions	1,706,089	445,637	2,151,726
Transfers	105,114	(105,114)	-
Disposals	-	(92,615)	(92,615)
Net exchange differences	276,634	264,558	541,192
Balance 30 June 2019	6,765,183	7,625,077	14,390,260
<b>Depreciation and impairment</b>			
Balance 1 July 2018	(249,149)	(850,424)	(1,099,573)
Depreciation	(203,859)	(552,407)	(756,266)
Net exchange differences	(15,216)	(55,584)	(70,800)
Balance 30 June 2019	(468,224)	(1,458,415)	(1,926,639)
Carrying amount at 30 June 2019	6,296,959	6,166,662	12,463,621

Capitalised costs amounting to \$97,120 (2019: \$1,980,308) have been included in cash flows from investing activities in the statement of cash flows for the Consolidated Group.

### NOTE 12: INTANGIBLE ASSETS

	2020 \$	2019 \$
Intellectual property	19,312,548	17,131,915
Accumulated amortisation	(1,660,915)	(1,188,807)
Accumulated impairment expenses	(9,428,520)	(9,418,916)
Net carrying value	8,223,113	6,524,192
Balance at the beginning of the year	6,524,192	4,907,542
Additions	2,180,633	2,068,407
Amortisation expense	(472,108)	(451,757)
Impairment	(9,604)	-
Carrying amount at the end of the year	8,223,113	6,524,192

Intellectual property relates to pyrolysis technology, EdenCrete®, EdenPlast™ and OptiBlend®. Capitalised costs amounting to \$2,180,633 (2019: \$2,068,407) have been included in cash flows from investing activities in the statement of cash flows.

The impairment recognised during the year relates to Hythane Technology rights. The intellectual property for this item was fully impaired at year end.

### NOTE 13: TRADE AND OTHER PAYABLES

	2020 \$	2019 \$
Trade payables and other payables	878,389	1,069,010
	878,389	1,069,010

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

### NOTE 14: INTEREST BEARING LIABILITIES

	2020 \$	2019 \$
Dumont Way property purchase loan [2nd mortgage over the Dumont Way property, 4% interest rate, denominated in USD and 2.3 years remaining]	257,912	247,422
Noble Energy Pty Ltd Loan [Unsecured, interest free and denominated in AUD]	200,000	-
SBA Loan [Unsecured, 1% interest rate, denominated in USD and 2 year term]	358,654	-
Total current portion	816,566	247,422
Dumont Way property purchase loan [2nd mortgage over the Dumont Way property, 2% interest rate, denominated in USD and 2.3 years remaining]	531,401	772,355
SBA Loan [Unsecured, 1% interest rate, denominated in USD and 2 year term]	563,601	-
SnowPoint Loan [Secured over all 3 properties, 11% interest rate, denominated in USD and 18 month term with further 6 month option]	4,086,437	-
Total non-current portion	5,181,439	772,355
Total	5,998,005	1,019,777
Opening Balance	1,019,777	1,214,354
Proceeds from borrowing, net of borrowing costs	8,125,557	116,506*
Repayment of borrowings	(3,122,254)	(355,086)
Borrowing costs expensed	293,458	-
FX [gain] / loss	(318,533)	44,003
Closing balance	5,998,005	1,019,777
* - Non-cash transaction		

### NOTE 15: PROVISIONS

	2020 \$	2019 \$
Provisions for staff entitlements and warranties	180,313	156,954
	180,313	156,954



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

### NOTE 16: ISSUED CAPITAL

	2020 No.	2019 No.	2020 \$	2019 \$
<b>a. Ordinary shares</b>				
At the beginning of reporting period	1,660,801,742	1,382,990,110	102,636,700	91,230,956
Shares issued during the year	62,794,624	277,811,632	2,867,076	11,405,744
At reporting date	1,723,596,366	1,660,801,742	105,503,776	102,636,700

- 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.

	2020 No.	2019 No.
<b>b. Options</b>		
At the beginning of reporting period	111,559,056	215,279,588
Options issued	1,000,000	81,700,834
Options exercised	-	(138,410,209)
Options lapsed	(29,529,422)	(47,011,157)
At reporting date	83,029,634	111,559,056

For information relating to the Eden Innovations Ltd employee option plan, refer to Note 3b Share-based Payments.

	2020 No.	2019 No.
<b>c. Performance rights</b>		
At the beginning of reporting period	-	-
Performance rights issued	26,391,012	-
Performance rights exercised or lapsed	-	-
At reporting date	26,391,012	-

For information relating to performance rights granted to directors and employees, refer to Note 3b Share-based Payments.

### d. 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 17: CONTINGENT LIABILITIES AND CONTINGENT ASSETS

The Directors are not aware of any contingent assets or contingent liabilities at 30 June 2020.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

### NOTE 18: CASH FLOW INFORMATION

	2020 \$	2019 \$
<b>Reconciliation of Cash Flow from Operations with Loss after Income Tax</b>		
Loss after income tax	[9,105,991]	[9,216,320]
Non-cash flows in loss		
Depreciation and amortisation	1,290,148	1,089,362
Share-based payments expense	449,395	601,985
Other financial items	9,604	8,893
Financing costs expensed	293,458	-
Assets written off	-	92,615
Net exchange differences	[29,013]	[26,561]
Changes in assets and liabilities		
(Increase)/decrease in trade and other receivables	[81,099]	[5,611]
(Increase)/decrease in inventories	33,509	[117,970]
(Increase)/decrease in other current assets	[39,777]	59,323
Increase/(decrease) in trade payables and accruals*	[208,757]	404,407
Increase/(decrease) in provisions	23,359	[75,436]
Increase/(decrease) in other liabilities	[10,526]	11,327
Cash flow from operations	<u>[7,375,690]</u>	<u>[7,173,986]</u>
* - Net of non-operating movements		

### NOTE 19: CAPITAL AND LEASING COMMITMENTS

	2020 \$	2019 \$
<b>a. Capital Expenditure Commitments</b>		
— not later than 12 months	-	-
— greater than 12 months	-	-
	<u>-</u>	<u>-</u>
<b>b. Other Commitments</b>		

The Group had commitments over the next 12 months of approximately \$25,750 relating to low-value short-term leases.

### NOTE 20: RESERVES

#### a. Share-based Payment Reserve

The share-based payment reserve records items recognised as expenses on valuation of share options and performance rights. Refer to Note 3B for further details of share options and performance rights issued.

#### b. Foreign Currency Translation Reserve

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

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

### NOTE 21: CONTROLLED ENTITIES

a. Controlled Entities	Country of Incorporation	Percentage Owned [%]*	
		2020	2019
Eden Innovations Holdings Pty Ltd (formerly Adamo Energy Ltd)	Australia	-	100
Eden Innovations (India) Pvt Ltd	India	100	100
Eden Energy Holdings Pty Ltd	Australia	100	100
Eden Innovations 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			
Eden Innovations Holdings Pty Ltd, a dormant Australian subsidiary, was wound up during the year.			

### NOTE 22: PARENT COMPANY INFORMATION

	2020 \$	2019 \$
a. Parent Entity		
<b>Assets</b>		
Current assets	112,981	2,610,983
Non-current assets (includes loans to and investment in subsidiaries of \$6,135,713)*	15,990,763	62,991,461
Total Assets	16,103,744	65,602,444
<b>Liabilities</b>		
Current liabilities	371,232	234,568
Total liabilities	371,232	234,568
<b>Equity</b>		
Issued Capital	105,503,776	102,636,701
Retained Earnings	(98,350,682)	(45,399,552)
<b>Reserves</b>		
Share-based payment reserve	8,579,418	8,130,023
Total reserves	8,579,418	8,130,023
<b>Financial performance</b>		
Profit / [Loss] for the year	(52,951,130)	(2,882,537)
Other comprehensive income, net of tax	-	-
Total comprehensive income / [Loss]	(52,951,130)	(2,882,537)

\* - The loans to and investment in subsidiaries have been assessed for impairment and management recognised an impairment expense of \$50,374,783 (2019: Nil). 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.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

### NOTE 23: EVENTS AFTER THE BALANCE SHEET DATE

The impact of the Coronavirus [COVID-19] pandemic is ongoing and whilst it has had limited financial impact for the Group up to 30 June 2020, it is not practicable to estimate the potential impact, positive or negative, after the reporting date. The situation is rapidly developing and is dependent on measures imposed by the Australian Government and other countries, such as maintaining social distancing requirements, quarantine, travel restrictions and any economic stimulus that may be provided.

On 28 July 2020 151,603,497 fully paid ordinary shares were issued at \$0.028 each pursuant to a Share Purchase Plan, raising \$4,244,898.

On 30 July 2020 2,206,896 fully paid ordinary shares were issued to Mr Stephen Dunmead and Mr Lazaros Nikeas pursuant to resolutions passed at the general meeting held on 2 July 2019.

There were no other material events occurring after the reporting date.

### NOTE 24: 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.

	Eden Innovations LLC	Eden Innovations India Pvt Ltd	Eliminations	Consolidated Entity
	\$	\$	\$	\$
<b>2020</b>				
External sales	2,271,499	155,606	-	2,427,105
Internal sales	2,072,757	-	(2,072,757)	-
Total segment revenue	4,344,256	155,606	(2,072,757)	2,427,105
Segment Result	(5,744,154)	(109,036)	(253,601)	(6,106,791)
Unallocated expenses				(2,549,620)
Result from operating activities				(8,656,411)
Finance costs				(477,371)
Loss before income tax				(9,133,782)
Income tax benefit				27,791
Loss after income tax				(9,105,991)
Segment assets	14,194,405	276,950	-	14,471,355
Unallocated assets				8,336,094
Total assets				22,807,449
Segment liabilities	6,619,177	526,972	-	7,146,149
Unallocated liabilities				(71,212)
Total liabilities				7,074,937
Capital expenditure	97,120	-	-	97,120
Depreciation and amortisation	818,040	-	472,108	1,290,148
Impairment expense	-	-	9,604	9,604

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

### NOTE 24: SEGMENT REPORTING CONTINUED

	Eden Innovations LLC	Eden Innovations India Pvt Ltd	Eliminations	Consolidated Entity
	\$	\$	\$	\$
<b>2019</b>				
External sales	2,021,064	313,837	-	2,334,901
Internal sales	1,920,087	-	(1,920,087)	-
Total segment revenue	3,941,151	313,837	(1,920,087)	2,334,901
Segment Result	(6,060,223)	98,243	(338,571)	(6,300,551)
Unallocated expenses				(2,955,289)
Result from operating activities				(9,255,840)
Finance costs				(34,167)
Loss before income tax				(9,290,007)
Income tax benefit				73,687
Loss after income tax				(9,216,320)
Segment assets	13,839,397	340,364	-	14,179,761
Unallocated assets				9,134,471
Total assets				23,314,232
Segment liabilities	2,015,006	497,179	-	2,512,185
Unallocated liabilities				(237,687)
Total liabilities				2,274,498
Capital expenditure	2,151,726	-	-	2,151,726
Depreciation and amortisation	726,003	-	363,359	1,089,362
Impairment expense	-	-	-	-

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

### NOTE 25: 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.

The remaining contractual maturities of the Group financial liabilities are:

	2020 \$	2019 \$
12 months or less	1,694,955	1,459,553
1 year or more	5,181,439	772,355
Total	6,876,394	2,231,908

##### 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 measure using sensitivity analysis and cash flow forecasting. At 30 June 2020, the effect on the loss and equity as a result of a 10% increase in the exchange rates, with all other variables remaining constant would be a decrease in loss by \$630,000 (2019: decrease of loss of \$640,000) and an increase in equity by \$460,000 (2019: \$600,000). A 10% decrease in the exchange rates would result in an equal and opposite impact on the loss after tax and equity.

##### 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 all fixed rate and will not fluctuate 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.



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

### NOTE 26: 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

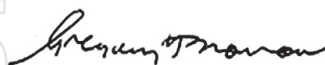
## DIRECTORS' DECLARATION

In the opinion of the directors of Eden Innovations Ltd:

- a. the financial statements and notes set out on pages 20 to 40, and the Remuneration disclosures that are contained in pages 15 to 17 of the Remuneration Report in the Directors' Report, 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 2020 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 15 to 17 of the Remuneration Report in the Directors' Report comply with Australian Accounting Standard AASB 124 Related Party Disclosures and
- c. 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 2020.

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



Gregory H Solomon  
Executive Chairman

Dated this 23<sup>rd</sup> day of September 2020



## 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 Ltd (the Company and its subsidiaries (the Group)), which comprises the consolidated statement of financial position as at 30 June 2020, the consolidated statement of 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 a summary of significant accounting policies, 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 2020 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 and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (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 of the Financial Report, which indicates that the Group will require further funding in the next twelve months from the date of this report to fund its planned operating costs. These conditions, along with other matters as set forth in Note 1, indicate the existence of a material uncertainty 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. In addition to the matter described in the Material Uncertainty Related to Going Concern section, we have determined the matter described below to be the key audit matter to be communicated in our report.

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**Audit Services Pty Ltd**  
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Key audit matter	How our audit addressed the key audit matter
<p><b>Impairment assessment of Intangible assets and Plant and equipment</b> (Refer to Notes 11 and 12)</p> <p>As at 30 June 2020 the Group's EdenCrete® and Optiblend® cash generating units (CGUs) comprised Plant and equipment (P&amp;E) and intangible assets. The carrying values of P&amp;E and intangible assets as at 30 June 2020 were, respectively, \$5,779,205 (2019: \$6,166,662) and \$8,223,113 (2019: \$6,524,192). Impairment was assessed by the Group at the CGU level by considering if impairment indicators were present as at 30 June 2020. Management determined that there were no such indicators of impairment.</p> <p>The impairment assessment for the Intangible assets and Plant and equipment is a key audit matter due to:</p> <ul style="list-style-type: none"> <li>the significance of the Intangible assets and Plant and equipment balances to the statement of financial position; and</li> <li>the judgement involved in the impairment indicator assessment due to the need to make estimates about future events and other circumstances.</li> </ul>	<p>We performed the following procedures, among others, to evaluate the Group's impairment assessment:</p> <ul style="list-style-type: none"> <li>assessed management's determination of the Group's CGUs based on our understanding of the nature of the Group's business and the economic environment in which the segments operate. We also analysed the internal reporting of the Group to assess how earnings streams are monitored and reported;</li> <li>compared actual sales performance subsequent to year end to forecast sales for the same period;</li> <li>enquired of management and inspected a selection of Board of Directors' meeting minutes to assess whether there were any: <ul style="list-style-type: none"> <li>observable indications that the asset values have declined during the year significantly more than would be expected as a result of the passage of time or normal use;</li> <li>significant changes with an adverse effect on the entity that have taken place during the year, or will take place in the near future, in the technological, market, economic or legal environment in which the entity operates or in the market to which an asset is dedicated; or</li> <li>significant changes with an adverse effect on the entity during the year, or any are expected to take place in the near future, in the extent to which, or manner in which, an asset is used or is expected to be used.</li> </ul> </li> <li>We also considered whether: <ul style="list-style-type: none"> <li>movements in market interest rates or other market rates of return on investments during the year are likely to affect the discount rate used in calculating an asset's value in use and decrease the asset's recoverable amount materially;</li> <li>there was evidence of obsolescence or physical damage of assets comprising the CGUs; and</li> <li>the market capitalisation of the Group was significantly lower than Eden Innovation's net assets at balance date.</li> </ul> </li> </ul>

#### Other information

The directors are responsible for the other information. The other information comprises the information in Eden Innovations Limited's annual report for the year ended 30 June 2020, but does not include the consolidated financial report and the auditor's report thereon.

Our opinion on the consolidated 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 consolidated 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.

#### **Directors' responsibility for the financial report**

The directors of the Company are responsible for the preparation of the consolidated financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the consolidated 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 entity or to cease operations, or have no realistic alternative but to do so.

#### **Auditor's responsibility 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/auditors\\_responsibilities/ar2.pdf](http://www.auasb.gov.au/auditors_responsibilities/ar2.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 15 to 17 of the Directors' Report for the year ended 30 June 2020.

In our opinion, the Remuneration Report of Eden Innovations Limited for the year ended 30 June 2020, 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**



**M. Janse Van Nieuwenhuizen | Director**  
**Perth**  
**23 September 2020**

## ADDITIONAL INFORMATION FOR LISTED PUBLIC COMPANIES

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

### 1. Shareholding as at 14 September 2020

#### a. Distribution of Shareholders

Category [size of holding]	Number Ordinary	% Issued Capital
1 – 1,000	237	0.00%
1,001 – 5,000	793	0.14%
5,001 – 10,000	789	0.34%
10,001 – 100,000	3,147	6.95%
100,001 – and over	1,961	92.57%
	6,927	100%

b. The number of shareholdings held in less than marketable parcels is 2,533.

c. The names of the substantial shareholders listed in the holding company's register as at 14 September 2020 are:

Shareholder	Number Ordinary
Noble Energy Pty Ltd	624,634,707

#### 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 — Ordinary Shares

Name	Number of Shares	% Issued Capital
1. Noble Energy Pty Ltd	579,868,477	30.89%
2. Noble Energy Pty Ltd	44,766,230	2.38%
3. Arkenstone Pty Ltd <G H Solomon Family Inv A/c>	33,986,707	1.81%
4. March Bells Pty Ltd	28,730,343	1.53%
5. Mr & Mrs Rogerson & Miss C Rogerson <The Rogerson Super Fund A/c>	28,467,652	1.52%
6. Citicorp Nominees Pty Ltd	21,816,204	1.16%
7. Mr Wayne Kearney & Mrs Robyn Kearney <Kearney Super A/c>	12,460,313	0.66%
8. Kalsie Holdings Pty Ltd <Iyer Superfund A/c>	10,680,610	0.57%
9. Mr Douglas Solomon	9,685,942	0.52%
10. Mr Gregory Solomon	8,595,007	0.46%
11. Miss Michelle Hawksley <MHawksley Family A/c>	8,041,316	0.43%
12. Mr Evan Clucas & Ms Leanne Weston <Kuranga Nursery Super A/c>	7,300,000	0.39%
13. Mr Stephen Carter	7,129,564	0.38%
14. J P Morgan Nominees Australia Limited	7,043,621	0.38%
15. Paddocks Superannuation Pty Ltd <Paddocks Super Fund A/c>	7,000,000	0.37%
16. Mr Norman Maher	6,486,864	0.35%
17. Ultimate Site Development Pty Ltd	6,066,381	0.32%
18. BNP Paribas Noms Pty Ltd	6,053,232	0.32%
19. Mr John Geelan <Edward Sugar Family A/c>	6,000,000	0.32%
20. HSBC Custody Nominees [Australia] Limited	5,521,447	0.29%
	845,699,910	45.05%

## ADDITIONAL INFORMATION FOR LISTED PUBLIC COMPANIES

### e. 20 Largest Optionholders — EDEOB

Name	Number of Options	% of Issued
1. Noble Energy Pty Ltd	14,814,815	21.26%
2. Mr Julian Merse	5,012,804	7.19%
3. Ultimate Site Development Pty Ltd	3,548,490	5.09%
4. Mr John Geelan <Edward Sugar Family A/c>	3,000,000	4.30%
5. Mr Brett Gage	2,720,000	3.90%
6. Mr John Jarvis <John Jarvis Family A/c>	2,048,416	2.94%
7. Mr & Mrs Weir <Ifonly Super Fund A/c>	2,000,000	2.87%
8. Citicorp Nominees Pty Ltd	1,927,856	2.77%
9. Arkenstone Pty Ltd <G H Solomon Family Inv A/c>	1,544,851	2.22%
10. March Bells Pty Ltd	1,292,289	1.85%
11. Elysian Islands Pty Ltd <Elysian Islands S/f A/c>	1,168,926	1.68%
12. Mr & Mrs Rogerson & Miss C Rogerson <The Rogerson Super Fund A/c>	1,092,594	1.57%
13. SPO Equities Pty Ltd	1,000,000	1.43%
14. Philip Elghanian	1,000,000	1.43%
15. Ricardo Salmon & Leslie Salmon	925,927	1.33%
16. National Nominees Limited	925,927	1.33%
17. Mr Peter McGinty	693,500	1.00%
18. Mr Eddie Sugar	650,000	0.93%
19. Mr Clayton Leslie	600,000	0.86%
20. Mr Daniel Vrabcenjak	500,000	0.72%
	<b>46,466,395</b>	<b>66.67%</b>

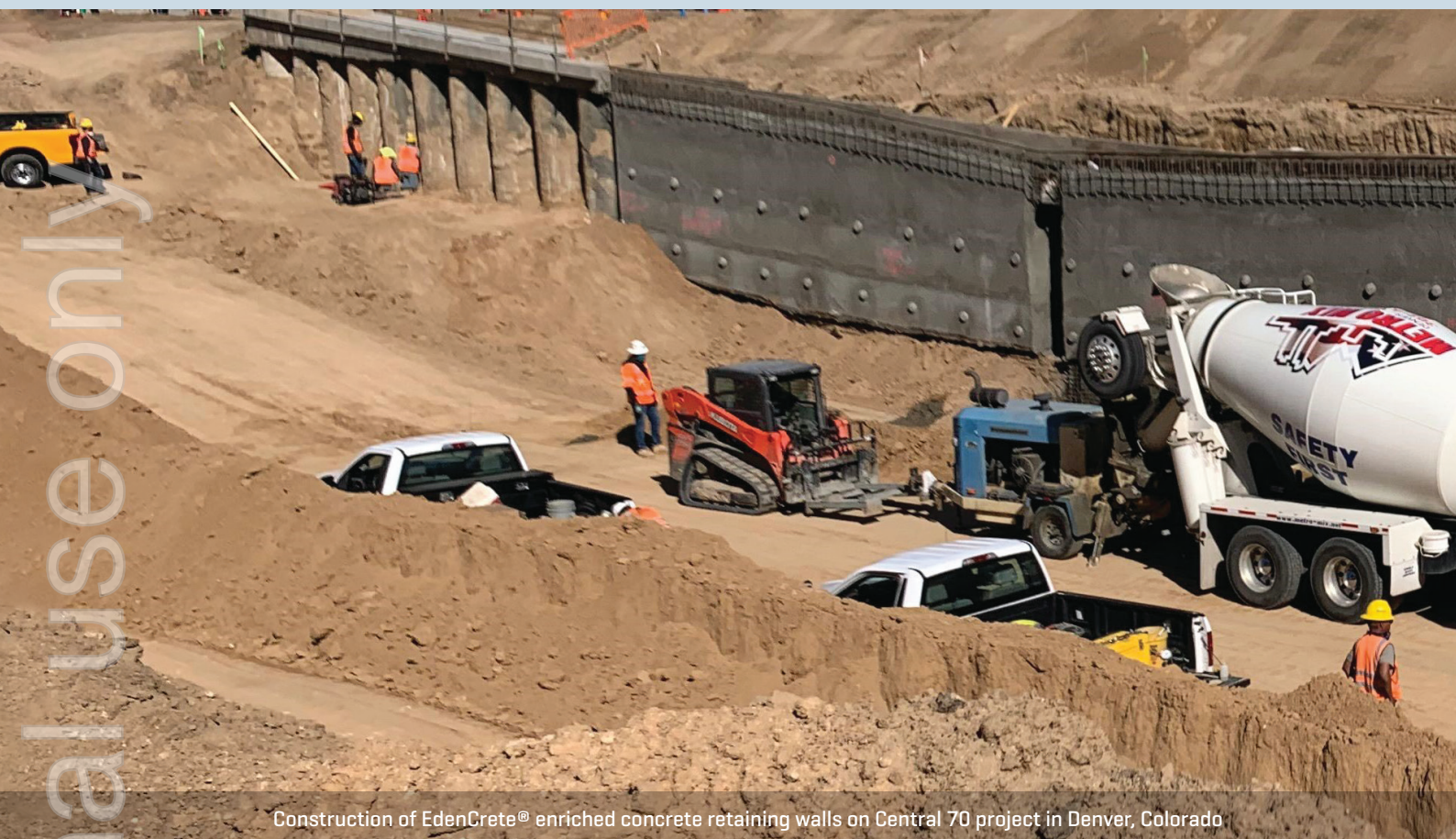
### 2. Unquoted Securities – Options as at 14 September 2020

Holder Name	Date of Expiry	Exercise Price	Number on issue	Number of holders
Employee Share Options	30 November 2020	\$0.25	330,000	1
Employee Share Options	19 December 2022	\$0.065	1,000,000	1
Various	1 June 2021	\$0.07	6,000,000	3
Various	1 June 2021	\$0.08	6,000,000	3
			<b>13,330,000</b>	<b>8</b>

### 3. Unquoted Securities – Performance rights as at 14 September 2020

Holder Name	Date of Expiry	Vesting	Number on issue	Number of holders
Employee Performance Rights	31 August 2021	US\$6m Revenue	8,297,004	36
Employee Performance Rights	31 August 2022	US\$12m Revenue	8,297,004	36
Employee Performance Rights	31 August 2023	US\$24m Revenue	8,297,004	36
			<b>24,891,012</b>	<b>36</b>

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Construction of EdenCrete® enriched concrete retaining walls on Central 70 project in Denver, Colorado

*eden*

Innovations that work.™

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