



Innovations that work.™

ACN 109 200 900

Appendix 4E
Unaudited Preliminary Financial Report
Year Ending 30 June 2023

The current reporting period is the year ended 30 June 2023. The previous corresponding period is the year ended 30 June 2022.

Results for announcement to the market:

			30 June 2023 \$000's	30 June 2022 \$000's
Revenue from ordinary activities	Up	+13%	4,701	4,149
Profit / (Loss) from ordinary activities after tax attributable to shareholders	Down	-172%	(17,869)	(6,647)
Profit / (Loss) for the year attributable to shareholders	Down	-207%	(17,906)	(5,834)

Dividends and Other Returns to Shareholders

No dividends are proposed and no dividends were declared or paid during the current or prior period. There were no share buy backs or proposed share buy backs during the financial year.

Financial Statements with notes

The operating performance, results of segments, and other factors affecting the results for the reporting year are contained in the 2023 Preliminary Report and accompanying notes contained within pages 3-21 of this release.

Commentary of Results for the year

In FY23 the group achieved a 13% increase in Operating Revenue of A\$4.7m (FY22: A\$4.1m), largely through the success of the OptiBlend® product in the Indian market. A non-cash impairment of \$10.2m to the group's intellectual property assets (as adjusted in the December half-yearly report) following a restructure in the USA operations significantly influenced the loss reported in comparison with the prior year. The restructure in the USA operations in November 2022 have resulted in the reduction of Employee expenses to A\$4.1m (FY22: A\$4.8m), with a full year's savings yet to be realised. Details on the initiatives of each of the Group's technologies in each of its segments are contained in the Group's Preliminary Report.

Operating Revenue			30 June 2023 \$000's	30 June 2022 \$000's
EdenCrete® Sales	Down	-20%	1,279	1,600
OptiBlend® Sales	Up	+34%	3,422	2,549
Total Sales	Up	+13%	4,701	4,149

Financial Position

At the end of the reporting period, the Group held A\$2.5m in Cash (FY22: A\$1.5m). The Operating Revenue increase, combined with the restructure in the USA operations has reduced net cash used in operating activities for the period to A\$4.9m (FY22: A\$6.0m).

The group continues to seek a buyer for its Augusta, Georgia property with increasing interest from a number of parties noted.

The net assets of the consolidated group have decreased to A\$4.7m (FY22: A\$19.5m) following the non-cash impairment of A\$10.2m of its Intellectual Property as noted above. The group's working capital, being current assets less current liabilities, has decreased to (\$4.1m) at 30 June 2023 (FY22 -\$1.2m), predominantly a result of the re-financing of the Company's debt facility to iBorrow REIT, LP in August 2022 with the balance outstanding noted at the end of the period A\$9.7m (FY22: two loans totalling \$4.3m).

Post Balance Date Events

On or about 12 July 2023, Eden's largest shareholder, Tasman Resources Ltd (via its 100% owned subsidiary Noble Energy Ltd), entered into a loan of \$2.3m to Eden, to enable Eden US (amongst other things) to reduce the Principal Sum, and pay the renewal fee and interest reserve replenishment associated with the iBorrow renewal (see below). The Tasman Loan, which is unsecured and repayable on demand attracts interest at 9.97% per annum.

Eden Innovations Ltd
Unaudited Preliminary Financial Report
For the year ended 30 June 2023

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

On 31 August 2023, the Company proposed to issue 366,666,665 million shares and 183,333,333 million free attaching new options to investors at \$0.003 per share raising A\$1,100,000 before costs. Brokers fees of 6% placement fee and the issue of 60 million new options are payable on completion of the placement. The new options to be issued, will be exercisable at \$0.009 on or before three years from the date of issue in return for one ordinary share in the Company. Consistent with the terms agreed under the mandate with Peak Asset Management, Noble Energy Pty Ltd ("Noble"), a wholly owned subsidiary of Tasman Resources Ltd, has conditionally agreed to convert \$1.2 million (the "Conversion Sum") of the Noble Loan into ordinary fully paid shares with free attaching options, to be issued at the same price and on the same terms as the abovementioned Placement Shares and Placement Options, subject to Eden shareholder approval at a general meeting to be convened after completion of the placement and compliance with the Corporations Act.

Subject to Eden shareholder approval, the conversion of the \$1.2 million Conversion Sum owed by Eden to Noble will take place in two tranches:

- An initial tranche of \$880,000 will be converted forthwith upon shareholder approval, thereby increasing Noble's holding shareholding in Eden from 28.27% to 31.19% of the total shares in Eden; and
- Only after the conversion of a further \$320,000 of the Noble Loan into ordinary fully paid shares and attaching options will be exempt under item 9 of the table in s.611 of the Act and subject to and conditional upon the conversion not contravening s.606 of the Act, the balance of \$320,000 will be converted not less than six months after the initial conversion has been completed.

Profit / (Loss) per share

	30 June 2023	30 June 2022
Basic / Diluted loss per share (cents per shares)	\$0.6451	\$0.2952

Net tangible assets per share

	30 June 2023	30 June 2022
Net tangible assets per share	\$0.0014	\$0.0038

Details of entities which control has been gained or lost

None.

Details of associated or joint ventures

None.

Any other significant information needed by an investor

Please refer to the Preliminary report and the accompanying notes contained as appendices within this release.

Foreign Entities, Accounting Standards used in compiling the report

Not applicable

Audit of Accounts upon which this report is based and qualification of audit

This Preliminary Final Report is based on the Annual Report for the year ended 30 June 2023 which is in the process of being audited by Nexia Perth Audit Services Pty Ltd. The audit report is likely to contain a paragraph in relation to a material uncertainty related to going concern consistent with their report provided in the 2022 Annual report.

This announcement was authorised by Jamie Scoringe.

For further information please contact Jamie Scoringe on +61 8 9282 5889.

For personal use only

Eden Innovations Ltd
Unaudited Preliminary Financial Report
For the year ended 30 June 2023
CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR YEAR ENDED 30 JUNE 2023

	Note	Consolidated Group	
		2023 \$	2022 \$
Revenue	2	4,701,130	4,149,161
Other income	3	49,514	853,001
Changes in inventories		332,176	615,244
Raw materials and consumables used		(1,901,273)	(1,938,975)
Depreciation and amortisation expense		(1,103,765)	(1,410,079)
Employee benefits expense	4a	(4,194,176)	(4,772,216)
Finance costs		(1,681,206)	(744,676)
Legal and consultants		(693,721)	(695,895)
Management fees		(300,000)	(300,000)
Impairment Expense	14	(10,180,087)	-
Other financial items	5	11,916	22,531
Other expenses		(2,619,440)	(2,086,013)
Travel and accommodation		(289,783)	(338,660)
Loss before income tax		(17,868,715)	(6,646,577)
Income tax (expense)/benefit	8	-	-
Loss for the year		(17,868,715)	(6,646,577)
Other Comprehensive Income / (Loss)			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Foreign currency translation reserve		(37,484)	812,360
Income tax relating to comprehensive income			
Total Other Comprehensive Income / (Loss), net of tax		(37,484)	812,360
Total Comprehensive Income / (Loss) attributable to members of the parent		(17,906,199)	(5,834,217)
Basic/Diluted loss per share (cents per share)	7	(0.6451)	(0.2952)

The accompanying notes form part of these financial statements.

Eden Innovations Ltd
Unaudited Preliminary Financial Report
For the year ended 30 June 2023
CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2023

	Note	Consolidated Group	
		2023 \$	2022 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	10	2,534,969	1,553,106
Trade and other receivables		275,713	730,479
Inventories	11	2,480,112	2,563,345
Assets held available for sale	12	1,856,662	-
Other current assets		923,401	188,309
TOTAL CURRENT ASSETS		8,070,857	5,035,239
NON-CURRENT ASSETS			
Property, plant and equipment	13	8,543,107	10,764,137
Intangible assets	14	390,747	9,987,272
TOTAL NON-CURRENT ASSETS		8,933,854	20,751,409
TOTAL ASSETS		17,004,711	25,786,648
CURRENT LIABILITIES			
Trade and other payables	15	1,166,511	949,665
Interest bearing liabilities	16	10,168,878	4,911,084
Other liabilities		99,410	116,194
Provisions	17	711,100	217,544
TOTAL CURRENT LIABILITIES		12,145,899	6,194,487
NON-CURRENT LIABILITIES			
Interest bearing liabilities	16	40,617	-
Other liabilities		89,441	107,082
TOTAL NON-CURRENT LIABILITIES		130,058	107,082
TOTAL LIABILITIES		12,275,957	6,301,569
NET ASSETS		4,728,754	19,485,079
EQUITY			
Issued capital	18	124,598,898	121,603,612
Reserves	22	10,060,597	9,943,493
Accumulated losses		(129,930,741)	(112,062,026)
TOTAL EQUITY		4,728,754	19,485,079

The accompanying notes form part of these financial statements.

Eden Innovations Ltd
Unaudited Preliminary Financial Report
For the year ended 30 June 2023
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR YEAR ENDED 30 JUNE 2023

	Consolidated Group				Total
	Fully Paid Ordinary Shares	Share based payment Reserve	Foreign Currency Translation Reserve	Accumulated Losses	
	\$	\$	\$	\$	
Balance at 30 June 2021	114,736,287	8,409,046	410,848	(105,415,449)	18,140,732
Shares issued during the year, net of issue costs	6,867,325	-	-	-	6,867,325
Share based payments during the year	-	311,239	-	-	311,239
Loss for year	-	-	-	(6,646,577)	(6,646,577)
Other comprehensive income	-	-	812,360	-	812,360
Total comprehensive income/(loss)	-	-	812,360	(6,646,577)	(5,834,217)
Balance at 30 June 2022	121,603,612	8,720,285	1,223,208	(112,062,026)	19,485,079
Shares issued during the year, net of issue costs	2,995,286	-	-	-	2,995,286
Share based payments during the year	-	154,588	-	-	154,588
Loss for year	-	-	-	(17,868,715)	(17,868,715)
Other comprehensive income	-	-	(37,484)	-	(37,484)
Total comprehensive income/(loss)	-	-	(37,484)	(17,868,715)	(17,906,199)
Balance at 30 June 2023	124,598,898	8,874,873	1,185,724	(129,930,741)	4,728,754

The accompanying notes form part of these financial statements.

For personal use only

Eden Innovations Ltd
Unaudited Preliminary Financial Report
For the year ended 30 June 2023

CONSOLIDATED STATEMENT OF CASH FLOWS FOR YEAR ENDED 30 JUNE 2023

	Note	Consolidated Group	
		2023 \$	2022 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		4,961,512	4,246,679
Payments to suppliers and employees		(8,649,231)	(9,914,151)
Income taxes (paid)/received		-	-
Interest paid		(570,843)	(371,362)
Interest received		49,393	4,423
Net cash used in operating activities	20	(4,209,168)	(6,034,411)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment	13	(102,306)	(36,552)
Payment for research and development	14	(838,621)	(1,443,116)
Net cash used in investing activities		(940,927)	(1,479,668)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of shares, net of issue costs		3,017,881	5,725,650
Proceeds from borrowings, net of borrowing costs		4,147,109	1,170,711
Repayment of borrowings		(1,038,562)	(120,600)
Net cash provided by financing activities		6,126,428	6,775,761
Net increase/(decrease) in cash held		792,969	(738,318)
Net increase/(decrease) due to foreign exchange movements		5,530	115,787
Cash at beginning of financial year		1,553,106	2,175,637
Cash at end of financial year	10	2,534,969	1,553,106

The accompanying notes form part of these financial statements.

For personal use only

Eden Innovations Ltd
Unaudited Preliminary Financial Report
For the year ended 30 June 2023

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

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 2023. 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 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

The Group has reported a net loss (which includes \$10,180,087 by way of a non-cash impairment of carrying value of the Group's intellectual property, which may be reversed in the event of increases to the Group's revenue as provided under the provisions of AASB136) for the period of \$17,868,715 (2022: \$6,646,577), a cash outflow from operating activities of \$4,209,168 (2022: \$6,034,411) and a net working capital deficit of \$4,075,042 (2022: 1,159,248). The directors are confident that the Group, subject to being able to raise further capital by way of further equity raising and/or the sale of the Group's real estate located in Georgia USA, will be able to continue its operations as a going concern.

Without such capital or additional funding, the net loss for the year and the cash outflow from operating activities (or additional funding from other resources) 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.

The Consolidated Financial Statements do not include any adjustment relative to the recoverability and classification of recorded asset amounts, or the amounts of classification of liabilities that might be necessary should the Group not continue as a going concern. These financial statements have been prepared on a going concern basis, which contemplates continuity of normal business activities the realisation of assets and extinguishment of liabilities in the ordinary course of business.

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 23 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.

For personal use only

Eden Innovations Ltd
Unaudited Preliminary Financial Report
For the year ended 30 June 2023

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

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 – 33% straight line
Buildings	4% straight line
Land	Nil

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

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

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

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

Non-current assets are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of assets held for sale continue to be recognised. AASB5(25) Non-current assets classified as held for sale and the assets of disposal groups classified as held for sale are presented separately on the face of the statement of financial position, in current assets. The liabilities of disposal groups classified as held for sale are presented separately on the face of the statement of financial position, in current liabilities.

i. Financial Instruments

Initial recognition and measurement

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

For personal use only

Eden Innovations Ltd
Unaudited Preliminary Financial Report
For the year ended 30 June 2023

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

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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.

j. **Impairment of Assets**

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

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

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

k. **Intangibles**

Research and development

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

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

Intellectual Property

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

For personal use only

Eden Innovations Ltd
Unaudited Preliminary Financial Report
For the year ended 30 June 2023

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.

i. 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.

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.

m. 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.

n. Comparative Figures

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

o. 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.

p. 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. The new and revised Standards and amendments thereof and Interpretations do not have any material impact on the disclosures or on the amounts recognised in the Group's condensed consolidated financial statements.

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.

For personal use only

Eden Innovations Ltd
Unaudited Preliminary Financial Report
For the year ended 30 June 2023

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

	2023	2022
	\$	\$
NOTE 2: REVENUE		
Operating activities		
— EdenCrete® sales	1,278,606	1,599,707
— OptiBlend® sales and services	3,422,524	2,549,454
Total revenue	4,701,130	4,149,161

NOTE 3: OTHER INCOME		
Debt forgiveness	-	849,521
Interest	49,393	3,480
Bank Charges refund	121	-
Total other income	49,514	853,001

	2023	2022
	\$	\$
NOTE 4: EMPLOYEE BENEFITS		
a. Employee benefits expense		
Expenses recognised for employee benefits are analysed below:		
Short-term employee benefits	(3,689,844)	(4,025,488)
Post-employment benefits	(333,628)	(197,473)
Share-based payments	(170,705)	(512,038)
Total	(4,194,176)	(4,734,999)

b. Share-based Employee Remuneration

Included under employee benefits expense in the statement of profit or loss and other comprehensive income is \$170,705 (2022: \$512,038) which relates, in full, to equity settled share-based payment transactions. Nil relates to options (2022: Nil), \$170,705 relates to shares (2022: \$512,038) and Nil relates to performance rights (2022: \$nil).

Options

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

	2023		2022	
	Number of Options	Weighted Average Exercise Price \$	Number of Options	Weighted Average Exercise Price \$
Outstanding at the beginning of the year	1,000,000	0.065	1,000,000	0.065
Granted	-	-	-	-
Exercised	-	-	-	-
Cancelled/lapsed	(1,000,000)	0.065	-	-
Outstanding at year-end	-	-	1,000,000	0.065
Exercisable at year-end	-	-	1,000,000	0.065

No options were exercised during the year ended 30 June 2023.

For personal use only

Eden Innovations Ltd
Unaudited Preliminary Financial Report
For the year ended 30 June 2023

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

	2023	2022
	\$	\$
NOTE 5: OTHER FINANCIAL ITEMS		
Foreign exchange gain / (loss)	11,916	22,531
Total	11,916	22,531
NOTE 6: AUDITORS' REMUNERATION		
Remuneration of the auditor of the parent entity for:		
— auditing or reviewing the financial report	72,900	43,425
— other services	-	-
Remuneration of other auditors of subsidiaries for:		
— auditing or reviewing the financial report	77,041	75,086
— other services	-	-
NOTE 7: EARNINGS PER SHARE (EPS)		
Basic/ Diluted loss per share (cents per shares)	(0.6451)	(0.2952)
a. Reconciliation of earnings to profit or loss		
Profit/(loss)	(17,906,199)	(6,646,577)
Earnings used to calculate basic EPS	(17,906,199)	(6,646,577)
b. Weighted average number of ordinary shares outstanding during the year used in calculating basic EPS	2,775,885,463	2,251,292,551
The options on issue are not potentially dilutive shares.		
NOTE 8: INCOME TAX BENEFIT		
a. The prima facie tax on loss from ordinary activities before income tax is reconciled to the income tax as follows:		
Prima facie tax payable on loss from ordinary activities before income tax at 25% (2022: 26%)	(4,467,179)	(1,728,110)
Add tax effect of:		
— Non-deductible expenses	2,587,698	46,463
— Current year tax losses not recognised	1,475,823	1,504,843
Less tax effect of:		
— Difference in overseas tax rates	403,658	176,904
— Current year temporary differences not recognised	-	-
Income tax expense/(benefit)	-	-
b. Components of deferred tax		
— Unrecognised deferred tax asset – losses	32,009,136	31,754,646
— Property, Plant & Equipment	(1,261,518)	(1,144,693)
— Capital raising costs	229,961	158,850
— Stock compensation	531,557	543,207
— Provisions and accruals	122,247	126,978
— Intangibles	(2,616,892)	(3,083,473)
Total unrecognised deferred tax asset	29,014,491	28,355,515

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.

Eden Innovations Ltd
Unaudited Preliminary Financial Report
For the year ended 30 June 2023

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

NOTE 9: RELATED PARTY TRANSACTIONS

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated. Full details of key management personnel remuneration can be found in the remuneration report to be issued in the Company's audited Annual Report.

	2023	2022
	\$	\$
Key Management Personnel		
Management fees paid/payable to Princebrook Pty Ltd, a company in which Mr GH Solomon and Mr DH Solomon have an interest. At year end, \$75,000 was payable (2021: \$25,000).	300,000	300,000
Legal fees paid to Solomon Brothers, a firm in which Mr GH Solomon and Mr DH Solomon are partners. At year end, nil was payable (2022: \$nil).	26,041	32,957

NOTE 10: CASH AND CASH EQUIVALENTS

Cash at bank and in hand	2,534,969	1,553,106
	2,534,969	1,553,106
	2,534,969	1,553,106

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	2,534,969	1,553,106
	2,534,969	1,553,106
	2,534,969	1,553,106

NOTE 11: INVENTORIES

At cost	2,480,112	2,563,345
	2,480,112	2,563,345
	2,480,112	2,563,345

NOTE 12: ASSETS HELD FOR SALE

At cost	1,952,244	-
Less Depreciation	(95,582)	-
Carrying amount at 30 June 2023	1,856,662	-
	1,856,662	-

Assets classified as held for sale are represented at the lower of cost or realisable value consistent with IFRS 5. It is anticipated that the value realised upon sale of the assets will be significantly higher than their carrying value, however at the date of the report, any valuation other than at carrying value would be unreliable.

For personal use only

Eden Innovations Ltd
Unaudited Preliminary Financial Report
For the year ended 30 June 2023

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

	2023	2022	
	\$	\$	
NOTE 13: PROPERTY, PLANT AND EQUIPMENT			
	Land and buildings	Plant and equipment	Total
Cost			
Balance 1 July 2022	7,134,307	7,918,518	15,052,825
Additions	-	102,306	102,306
Reclassified as Assets Held for Sale	(1,952,244)	-	(1,952,244)
Disposals	-	-	-
Net exchange differences	278,701	310,574	589,275
Balance 30 June 2023	5,460,764	8,331,398	13,792,162
Depreciation and impairment			
Balance 1 July 2022	(1,149,715)	(3,138,972)	(4,288,687)
Depreciation	(235,852)	(639,041)	(874,893)
Reclassified as Assets Held for Sale	95,582	-	95,582
Disposals	-	-	-
Net exchange differences	(48,621)	(132,436)	(181,057)
Balance 30 June 2023	(1,338,606)	(3,910,449)	(5,249,055)
Carrying amount at 30 June 2023	4,122,158	4,420,949	8,543,107
	Land and buildings	Plant and equipment	Total
Cost			
Balance 1 July 2021	6,537,410	7,313,264	13,850,674
Additions	-	207,651	207,651
Disposals	-	(164,262)	(164,262)
Net exchange differences	596,897	561,864	1,158,761
Balance 30 June 2022	7,134,307	7,918,517	15,052,824
Depreciation and impairment			
Balance 1 July 2021	(842,260)	(2,400,936)	(3,243,196)
Depreciation	(218,822)	(609,134)	(827,956)
Disposals	-	116,389	116,389
Net exchange differences	(88,633)	(245,291)	(333,924)
Balance 30 June 2022	(1,149,715)	(3,138,972)	(4,288,687)
Carrying amount at 30 June 2022	5,984,592	4,779,544	10,764,137

Capitalised costs amounting to \$102,306 (2022: \$36,552) have been included in cash flows from investing activities in the statement of cash flows for the Consolidated Group.

For personal use only

Eden Innovations Ltd
Unaudited Preliminary Financial Report
For the year ended 30 June 2023

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

NOTE 14: INTANGIBLE ASSETS	2023	2022
	\$	\$
Intellectual property	23,068,198	22,229,577
Accumulated amortisation	(3,068,844)	(2,813,785)
Accumulated impairment expenses	(19,608,607)	(9,428,520)
Net carrying value	<u>390,747</u>	<u>9,987,272</u>
Balance at the beginning of the year	9,987,272	9,123,044
Additions	838,621	1,484,352
Amortisation expense	(255,059)	(620,124)
Impairment expense	(10,180,087)	-
Carrying amount at the end of the year	<u><u>390,747</u></u>	<u><u>9,987,272</u></u>

Intellectual property relates to pyrolysis technology, EdenCrete[®], EdenPlast[™] and OptiBlend[®]. Capitalised costs amounting to \$952,892 (2022: \$1,443,116) have been included in cash flows from investing activities in the statement of cash flows.

During the reporting period, the Company performed relevant impairment testing of its EdenCrete[®] cash-generating unit, consistent with impairment indicators as noted by AASB136 that occurred during the period. Management tested the recoverable amount of the EdenCrete[®] CGU adopting the value-in-use method over a five-year period using the following key assumptions:

- A terminal growth rate applicable to the trading environment of 2.13%.
- The discount rate applied to expected future net cash inflows was 17.96%.
- Revenue forecasts based on current year revenue, pipeline clientele and projections of 35% per annum growth. During the period, revenue generated from the sale of EdenCrete[®] products was impacted by a number of factors that resulted in the EdenCrete[®] revenue being less than the budgeted levels. These factors included shortages of both cement and haulage capability in the USA, significant focus by the Company on a retail launch of EdenCrete[®] which failed to generate the budgeted levels of demand, and an extremely harsh winter that resulted in a considerable reduction in the amount of construction work that was been able to be undertaken. It is anticipated that revenue from EdenCrete[®] sales will continue to increase both in the USA and Internationally as market conditions improve.

The Company assessed that the recoverable value of its CGU was less than it's carrying value at the reporting date and accordingly an impairment of \$10,180,087 was recognised against the intangible asset, bringing the carrying value of the CGU's intangible asset to nil. As a result of the impairment noted above, any future events that result in significant incremental changes to forward assumptions would accordingly result in a reversal of the impairment charge

NOTE 15: TRADE AND OTHER PAYABLES	2023	2022
	\$	\$
Trade payables and other payables	1,166,511	949,665
	<u>1,166,511</u>	<u>949,665</u>

NOTE 16: INTEREST BEARING LIABILITIES

Dumont Way property purchase loan (2 nd mortgage over the Dumont Way property, 4% interest rate, denominated in USD)	-	530,530
SBA Loan (Unsecured, 1% interest rate, denominated in USD)	-	39,090
SnowPoint Loan (Secured over all 3 properties, 11% interest rate, denominated in USD)	-	4,341,464
Noble Energy Pty Ltd (Unsecured, 9.97% interest rate, denominated in AUD, at call)	490,000	-
iBorrow REIT, LP Loan (Secured over all 3 properties, 9.75% interest rate, denominated in USD, renewed to 7 August 2024 subsequent to the period)	9,678,878	-
Total current portion	<u>10,168,878</u>	<u>4,911,084</u>
SBA Loan (Unsecured, 1% interest rate, denominated in USD, due 2025)	40,617	-
Total non-current portion	<u>40,617</u>	<u>-</u>
Total	<u><u>10,209,495</u></u>	<u><u>4,911,084</u></u>

Eden Innovations Ltd
Unaudited Preliminary Financial Report
For the year ended 30 June 2023

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

NOTE 16: INTEREST BEARING LIABILITIES (CONTINUED)

Opening Balance	4,911,084	5,257,269
Proceeds from borrowing, net of borrowing costs	9,220,905	231,137
Repayment of borrowings	(5,070,650)	(231,137)
Borrowing costs expensed	739,915	131,845
Loan forgiveness*	-	(849,521)
FX (gain) / loss	408,241	371,491
Closing balance	<u>10,209,495</u>	<u>4,911,084</u>

* - Non-cash transaction

NOTE 17: PROVISIONS

Provisions for staff entitlements and warranties	150,438	217,544
Provision for tax (foreign jurisdiction)	560,662	-
	<u>711,100</u>	<u>217,544</u>

NOTE 18: ISSUED CAPITAL

	2023	2022	2023	2022
	No.	No.	\$	\$
a. Ordinary shares				
At the beginning of reporting period	2,485,452,995	2,082,852,348	121,603,612	114,736,287
Shares issued during the year	511,491,411	402,600,647	2,995,286	6,867,325
At reporting date	<u>2,996,944,406</u>	<u>2,485,452,995</u>	<u>124,598,898</u>	<u>121,603,612</u>

- i. The ordinary shares on issue have no par value and there is no limited amount of authorised share capital.
- ii. Ordinary shares participate in dividends and in the proceeds on winding up of the parent entity in proportion to the number of shares held. At the shareholders meetings each ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has one vote on a show of hands.

b. Options	2023	2022
	No.	No.
At the beginning of reporting period	246,535,140	69,394,506
Options issued	236,375,000	189,172,832
Options exercised	(20,525)	(32,198)
Options lapsed	(50,543,744)	(12,000,000)
At reporting date	<u>432,345,871</u>	<u>246,535,140</u>

c. Capital Management

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

NOTE 19: CONTINGENT LIABILITIES AND CONTINGENT ASSETS

The Directors are not aware of any contingent assets or contingent liabilities at 30 June 2023.

For personal use only

Eden Innovations Ltd
Unaudited Preliminary Financial Report
For the year ended 30 June 2023

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

NOTE 20: CASH FLOW INFORMATION

Reconciliation of Cash Flow from Operations with Loss after Income Tax	2023	2022
	\$	\$
Loss after income tax	(17,868,715)	(6,646,577)
Non-cash flows in loss		
Depreciation and amortisation	1,103,765	1,410,079
Impairment expense	10,180,087	-
Share-based payments expense	170,705	549,255
Debt forgiveness	-	(849,521)
Interest reserve	1,038,562	-
Financing costs expensed	739,915	200,027
Assets written off	-	41,453
Net exchange differences	56,344	(50,603)
(Increase)/decrease in trade and other receivables	350,687	(161,770)
(Increase)/decrease in inventories	83,192	(722,763)
(Increase)/decrease in other current assets	(758,210)	(25,226)
Increase/(decrease) in trade payables and accruals	233,721	194,477
Increase/(decrease) in provisions	493,556	46,203
Increase/(decrease) in other liabilities	(32,777)	(19,445)
Cash flow from operations	<u>(4,209,168)</u>	<u>(6,034,411)</u>

NOTE 21: CAPITAL AND LEASING COMMITMENTS

a. Capital Expenditure Commitments	2023	2022
	\$	\$
— not later than 12 months	-	-
— greater than 12 months	-	-
	<u>-</u>	<u>-</u>
b. Other Commitments		

NOTE 22: 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.

For personal use only

Eden Innovations Ltd
Unaudited Preliminary Financial Report
For the year ended 30 June 2023

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

NOTE 23: CONTROLLED ENTITIES

a. Controlled Entities	Country of Incorporation	Percentage Owned (%)*	
		2023	2022
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

No entities were wound up during the year.

NOTE 24: PARENT COMPANY INFORMATION

	2023	2022
	\$	\$
a. Assets		
Current assets	375,249	449,514
Non-current assets (includes loans to and investment in subsidiaries of \$3,632,431) ¹	5,496,012	19,411,436
Total Assets	5,871,261	19,860,950
Liabilities		
Current liabilities	1,142,507	375,870
Total liabilities	1,142,507	375,870
Net Assets	4,728,754	19,485,090
Equity		
Issued Capital	124,662,898	121,603,612
Retained Earnings	(128,740,277)	(110,834,067)
Share-based payment reserve	8,806,133	8,715,545
Total Equity	4,728,754	19,485,090
Financial performance		
Profit / (Loss) for the year ²	(17,906,199)	(5,834,217)
Other comprehensive income, net of tax	-	-
Total comprehensive income / (Loss)	(17,906,199)	(5,834,217)

- The loans to and investment in subsidiaries have been assessed for impairment and an impairment expense of \$5,330,447 (2022: \$3,073,857) has been recognised. It is anticipated that the balance of these loans to and investment in subsidiaries will be recovered through the successful commercialisation of EdenCrete® and OptiBlend® by the subsidiary companies.
- Consistent with AASB136, the Company assessed that the recoverable value of its CGU was less than its carrying value at the reporting date and accordingly a non-cash impairment of \$10,180,087 was recognised against its intangible assets (refer Note 13). As a result of the impairment noted above, any future events that result in significant incremental changes to forward assumptions would accordingly result in a reversal of the impairment charge.

Eden Innovations Ltd
Unaudited Preliminary Financial Report
For the year ended 30 June 2023

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

NOTE 25: EVENTS AFTER THE BALANCE SHEET DATE

On 12 July 2023, Eden's largest shareholder, Tasman Resources Ltd (via its 100% owned subsidiary Noble Energy Ltd), entered into a loan of \$2,300,000 to Eden, to enable Eden US to (amongst other things) reduce the Principal Sum, and pay the renewal fee and interest reserve replenishment associated with the iBorrow renewal (see below). The Tasman Loan, which is unsecured and repayable on demand attracts interest at 9.97% per annum.

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

On 31 August 2023, the Company proposed to issue 366,666,665 million shares and 183,333,333 million free attaching new options to investors at \$0.003 per share raising \$1,100,000 before costs. Brokers fees of 6% placement fee and the issue of 60 million new options are payable on completion of the placement. The new options to be issued, will be exercisable at \$0.009 on or before three years from the date of issue in return for one ordinary share in the Company. Consistent with the terms agreed under the mandate with Peak Asset Management, Noble Energy Pty Ltd ('Noble'), a wholly owned subsidiary of Tasman Resources Ltd, has agreed to convert \$1.2 million (the "Conversion Sum") of the Noble Loan into ordinary fully paid shares with free attaching options, to be issued at the same price and on the same terms as the abovementioned Placement Shares and Placement Options, subject to Eden shareholder approval at a general meeting to be convened after completion of the placement.

Subject to Eden shareholder approval, the conversion of the \$1.2 million Conversion Sum owed by Eden to Noble will take place in two tranches:

- An initial tranche of \$880,000 will be converted forthwith upon shareholder approval, thereby increasing Noble's holding shareholding in Eden from 28.27% to 31.19% of the total shares in Eden; and
- Only after the conversion of a further \$320,000 of the Noble Loan into ordinary fully paid shares and attaching options will be exempt under item 9 of the table in s.611 of the Act and subject to and conditional upon the conversion not contravening s.606 of the Act, the balance of \$320,000 will be converted not less than six months after the initial conversion has been completed.

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.

For personal use only

Eden Innovations Ltd
Unaudited Preliminary Financial Report
For the year ended 30 June 2023

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

NOTE 26: 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
	\$	\$	\$	\$
2023				
External sales	1,929,119	2,772,011	-	4,701,130
Internal sales	252,112	68,811	(320,923)	-
Total segment revenue	<u>2,181,231</u>	<u>2,840,822</u>	<u>(320,923)</u>	<u>4,701,130</u>
Segment Result	(6,131,553)	1,320,701	-	(4,810,854)
Unallocated expenses				<u>(11,376,657)</u>
Result from operating activities				(16,187,510)
Finance costs				<u>(1,681,205)</u>
Loss before income tax				(17,868,715)
Income tax benefit				-
Loss after income tax				<u>(17,868,715)</u>
Segment assets	13,684,484	2,554,230	-	16,238,714
Unallocated assets				<u>765,996</u>
Total assets				<u>17,004,710</u>
Segment liabilities	10,370,597	693,352	69,501	11,133,450
Unallocated liabilities				<u>1,142,507</u>
Total liabilities				<u>12,275,957</u>
Capital expenditure	13,345	1,381	666,338	681,064
Depreciation and amortisation	862,321	(2,582)	244,026	1,103,765
Impairment expense				10,180,087
2022				
External sales	2,983,015	1,166,146	-	4,149,161
Internal sales	53,332	-	(53,332)	-
Total segment revenue	<u>3,036,347</u>	<u>1,166,146</u>	<u>(53,332)</u>	<u>4,149,161</u>
Segment Result	(3,733,698)	668,757	(146,147)	(3,211,068)
Unallocated expenses				<u>(2,690,833)</u>
Result from operating activities				(5,901,911)
Finance costs				<u>(744,676)</u>
Loss before income tax				(6,646,577)
Income tax benefit				-
Loss after income tax				<u>(6,646,577)</u>
Segment assets	13,727,174	1,622,688	(9,598)	15,340,264
Unallocated assets				<u>10,446,384</u>
Total assets				<u>25,786,648</u>
Segment liabilities	5,834,022	233,009	-	6,067,031
Unallocated liabilities				<u>234,537</u>
Total liabilities				<u>6,301,568</u>
Capital expenditure	104,361	1,107	1,484,352	1,589,820
Depreciation and amortisation	789,956	-	620,123	1,410,079
Impairment expense	-	-	-	-

For personal use only

Eden Innovations Ltd
Unaudited Preliminary Financial Report
For the year ended 30 June 2023

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

NOTE 27: 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:

	2023	2022
	\$	\$
12 months or less	9,358,557	5,860,749
1 year or more	41,347	-
Total	9,399,904	5,860,749

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 2023, 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 approximately \$500,000 (2022: decrease of loss of \$400,000) and a decrease in equity by approximately \$520,000 (2022: \$530,000). 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.

NOTE 28: 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

For personal use only