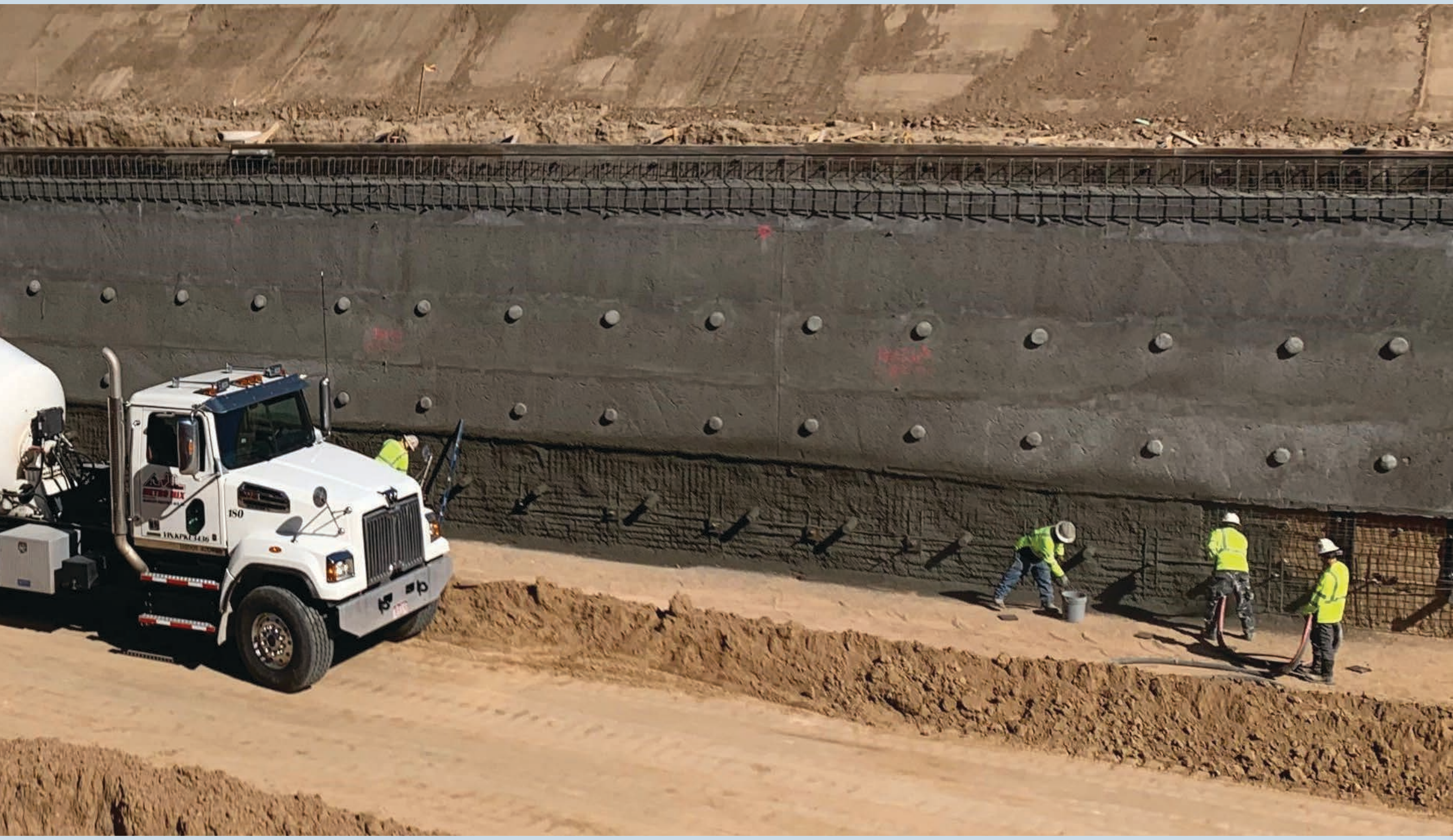

eden

Innovations that work.™

Interim Financial Report

for the Half-Year Ended 31 December 2020

CONTENTS

HIGHLIGHTS

SALES DURING THE HALF YEAR

	Sales 31 Dec 2020 A$000's	Sales 31 Dec 2019 A$000's	Sales % Change
EdenCrete®	878	709	24%
OptiBlend®	703	479	47%
Total	1,581	1,188	33%

EDENCRETE®

Silent Partner International (SPI)

- Eden secured its first long-term contract to supply Silent Partner International, projected sales of US$48 million of EdenCrete® products, over an 8-year period.
- SPI advised that preliminary steps for the first project in West Virginia are completed.
- Design work underway and site work scheduled to commence in May 2021.

Georgia market continuing to expand

GDOT/ FHWA Projects

- 7 GDOT highway repair projects underway or pending (including 2 jointly funded with FHWA).
- The largest of these current projects, the third GDOT/ FHWA jointly funded project using EdenCrete on Interstate I-75/SR 401, has commenced and should use in excess of US$250,000 of EdenCrete® over a 6 months period.
- GDOT is planning a number of major highway upgrade projects.

GPA Repair Projects

- Successful field trials with GPA in early 2020 led to EdenCrete® being included by GPA in the specifications for two projects and used by a contractor in a third small repair contracts at the Port of Savannah.
- Successful development of EdenCrete® enhanced concrete mix designs for use in a range of port, marine and coastal applications.

Port of Savannah Expansion

- EdenCrete® pre-approved by GPA for use in first project that is part of the planned doubling of capacity of the Port of Savannah. Bids on this first project closed in early February 2021.
- If EdenCrete® is used, it would require approx. US$625,000 of EdenCrete®.

Colorado market continuing to expand

- Colorado Department of Transportation (CDOT) shotcrete project I-25 in Colorado Springs.
- City of Denver Department of Transportation and Infrastructure completed positive review of long-term trial, resulting in EdenCrete® being included as an additional admixture in the specifications for specific new roadway paving and pavement repairs.
- Four new ready-mix customers added.
- First volumetric concrete projects successfully completed.
- CDOT I-70- Vail Pass EdenCrete® trial contract awarded; preliminary testing starts in Spring.

Kansas – first project in Wichita

- EdenCrete® successfully used in Wichita, in a large commercial project in a new US state, in a new application and for a new contractor.
- Trials in progress with three new ready-mix customers in Wichita market.

Utah – two new shotcrete projects

- Two projects completed in Salt Lake City being at a large mixed use commercial/residential development and at a public All-Abilities Water Park that is also suitable for mentally and physically disabled customers.

Missouri, Arizona, Nevada, Montana

- Trials scheduled over next six months in Kansas City, MO, Phoenix, AZ, Las Vegas, NV, and Helena, MO.

International EdenCrete® Market Summary

Australia

- First significant Australian sale.
- NICNAS approval received to import EdenCrete® into Australia for sale and use.

Europe

- Large European construction company that started trialling EdenCrete® in July 2019 resumes its long term trials after a 10 months' COVID-19 shutdown.

India

- First Indian EdenCrete® sale to significant Indian construction company following highly successful trials in February 2020 and subsequent long COVID-19 shutdown.

Israel

- First significant Israeli sale following highly successful trials.

South Korea

- Ongoing trials continuing with major company (but significantly impacted by COVID-19 restrictions).

OptiBlend®

- The Indian sales for the six months (of the equivalent of A$587,000) is by far the highest six monthly sales India has ever achieved, due to new regulations in the greater Delhi area banning use of diesel generators for a period of 6 months (during the Indian winter) to reduce air pollution.

EdenPlast®

- During the period Eden supplied a Japanese plastics manufacturer a master batch of carbon nanotube (CNT) enriched polymer that Eden had made using plain polymer supplied to it by the Japanese company, and blending 38% by weight of CNT into the polymer. The Japanese company, although impacted by COVID-19 has commenced trialling the EdenPlast® master batch.

Hydrogen

- During the period Eden received preliminary enquiries from a number of companies related to possible collaboration with Eden in relation to its various hydrogen technologies and capabilities.
- Eden is open to such a collaboration provided that it does not impact adversely on Eden's other products and business activities and will continue to explore any opportunities that may arise.

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 B.Com, CA, AGIA

REGISTERED OFFICE:

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Website: www.edeninnovations.com

SOLICITORS:

Solomon Brothers
Level 15
197 St Georges Terrace
Perth WA 6000

AUDITORS:

Nexia Perth Audit Services Pty Ltd
Level 3
88 William Street
Perth WA 6000

SHARE REGISTRY:

Advanced Share Registry Services
110 Stirling Highway
Nedlands WA 6009

STOCK EXCHANGE LISTING:

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

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

REVIEW OF OPERATIONS

COVID-19

During the half year, Eden's workforce remained free of COVID-19 infection. Since then, two employees contracted the virus and both have now recovered but no other employees were affected.

During the half year, Eden remained focused on preparing for resumption of normal business when disruptions ease, with our production running at full capacity (approximately 14 hours a day with shift work separation to prevent COVID 19 cases internally). COVID 19 continues to delay sales, trials and projects that were underway or planned in various markets in the USA and other countries.

EDENCRETE®

President Biden – US Infrastructure

During the period President Biden was elected (and is now in office). Based upon his pre-election undertakings in relation to increasing US infrastructure spending, Eden is hopeful that a significant increase in Federal funding for US infrastructure projects will deliver more infrastructure projects in which EdenCrete® products are used over the next four years.

Silent Partner International Inc. - Long Term Supply Contract

Eden signed a long-term agreement ("the Agreement") to sell in aggregate US$48 million worth of EdenCrete®, and potentially other products, over the next 8 years to Silent Partner International, Inc. ("SPI"), a US company based in Florida.

The products will be used in the construction and maintenance of a number of proposed facilities that SPI plans to build in the USA and in other countries.

SPI has developed a proprietary design that is to be used in the proposed facilities for mitigation of the impact of a broad spectrum of radio frequency ("RF") interference and/or electromagnetic pulses ("EMP") that can result from natural occurrences such as solar flares, or human generated causes such as nuclear explosions ("the Purpose").

The proposed facilities will be designed for energy generation coupled with one or more of desalination, IT/data storage, aquaculture and/or agri-tech ("the Facilities").

In addition to increasing the strength and durability of the concrete, the EdenCrete® and other products are to be included to help SPI achieve the Purpose and mitigate the impact of RF interference and EMP on the Facilities.

The first Facility, which is to be constructed in West Virginia, was announced by SPI. Subsequent to the signing of the Agreement, SPI released on its website information regarding its financing and construction partners.

This Agreement, coupled with the announcement of the first project, represents a major milestone in the global growth of the sales and marketing footprint of EdenCrete® products. Not only is this by far the largest contract for EdenCrete® that Eden has secured to date, but it also opens up an important new application for the EdenCrete® products, that has the potential to develop into a very large market over the coming years.

During the period Silent Partner International (SPI) engaged the general contractor for the first data centre in West Virginia. Design work for this project will continue during the first few months of 2021. Site work is scheduled to commence in May 2021.

Georgia Department of Transportation (GDOT)/ Federal Highway Administration (FHWA) Projects

Seven GDOT highway repair projects in Georgia commenced or are pending (including 2 jointly funded with FHWA) in which Eden anticipates that EdenCrete® will be required. The largest of these current projects, the third GDOT/FHWA jointly funded project using EdenCrete®, involving the replacement of badly worn sections of concrete pavement along Interstate I-75/SR 401, has commenced. This project is projected to require in excess of US$250,000 worth of EdenCrete® over the next 6 months. The first two GDOT/ FHWA repair projects completed in 2019 and 2020 respectively, each ended being approximately 30-40% larger than originally estimated, as additional repair work was added.

Additionally, GDOT is planning a number of major highway upgrade projects in Georgia, including constructing additional lanes for trucks along major highways to relieve congestion. Some of these projects are proposed to be funded using Public Private Partnerships (PPP) between GDOT and commercial partners, where the commercial partner will take on extended maintenance obligations, often for more than 40 years. Eden is hopeful that EdenCrete® will be required for at least some of these projects.

Georgia Port Authority (GPA) Projects

Following successful field trials that took place with GPA in early 2020 (see Eden ASX announcement dated 7 February 2020), EdenCrete® was included in three GPA small concrete repair projects, including being added by GPA to the specifications for two of these contracts and being included by a contractor in a third, in areas of the port that are exposed to harsh operating conditions and heavy wear.

Eden also completed the development with a number of companies, of various EdenCrete® enhanced concrete mix designs for use in a range of port, marine and coastal applications.

REVIEW OF OPERATIONS (Continued)

Port of Savannah Expansion

EdenCrete® was expressly pre-approved during the period by GPA for use in first project being undertaken in the 8-year, US$2.5 billion expansion project that will double the capacity of the Port of Savannah. The first project was put out for tender and the tender has now closed. Eden engaged with all regional ready-mix suppliers and contractors to ensure they are aware of the earlier success of EdenCrete®. Based on the dosage rate used in the EdenCrete® trials, if EdenCrete® is used by the successful tenderer, the project would require approximately US$625,000 of EdenCrete®. The first project is the re-alignment of Berth 1 to allow docking for more 14,000 TEU vessels on the downriver end of the terminal (see Figure 1.).

Figure 1. Garden City Terminal

GPA announced in late 2019 a US$2.5 billion plan to double the annual capacity of the Port of Savannah. The volume of container traffic that the port (which is currently the third busiest US container port) can handle, is planned to be increased over the next 8-10 years from approximately 5.5 million TEU (Twenty Foot Equivalent Units) movements per year to 11 million TEU movements.

This plan involves:

- a major increase in the number of berths, cranes and the required areas of hardstand storage, together with a significant upgrade to the port's rail and road networks to handle the increased volume of container traffic; and
- expansion of the current 1,200-acre footprint at Garden City Terminal and the establishment of a new container port on Hutchinson Island, across the Savannah River channel.

By 2027, the additional cranes, revamped dock space and a new Hutchinson Island terminal are planned to allow the Port of Savannah to significantly increase big ship capacity of the port. In 2020 the terminal was scheduled to receive six additional Ship to Shore (STS) cranes, and bring its fleet to 36, more than any other terminal in North America.

Colorado Department of Transportation (CDOT) shotcrete project on I-25

This new project that commenced during the period, is being undertaken for CDOT on Interstate Highway I-25 near Colorado Springs, and involves the use of 1000 cubic yards (760 cubic metres) of shotcrete to build a long retaining wall as well being used in the expansion of two bridges including their wing walls, and will require approximately 330 gallons of EdenCrete®.

Importantly, the contractor on this project, Utah based Summit GeoStructures that also operates in Colorado and regularly uses EdenCrete® products, obtained approval from CDOT to use their EdenCrete® enhanced shotcrete.

This approval by CDOT followed successful laboratory trials of the proposed shotcrete mix, supplied by a ready-mix operator with which Eden has not previously worked, but which is a subsidiary of a large global cement and concrete company.

Denver Department of Transportation and Infrastructure (DDOTI) Adds EdenCrete® to Concrete Specifications for Some New Roadways and Repairs

Following a detailed, positive review in November 2020 by senior engineers from DDOTI of the performance of two long term trials of EdenCrete® concrete, EdenCrete® has now been included as an additional admixture in the specifications for specific new roadway paving and pavement repairs.

DDOTI delivered a very positive evaluation of 3-year long trial of EdenCrete® in concrete road when exposed to heavy vehicle traffic and heavy and often repeated dosages of de-icing salts.

The evaluation was reported to Eden in a letter dated 24 November 2020 from DDOTI that included the following:

> *"The purpose of this letter is to provide a summary of our experience with EdenCrete. In 2017 several panels of Speer Boulevard were replaced with concrete that had two different doses of EdenCrete. Control panels were also placed on Speer Boulevard. The test section was on the southbound outside lane, south of 6th Avenue. Representatives from EdenCrete were onsite during construction to assist the contractor which ensured a successful project. I would like to thank EdenCrete for the support and help with this project.*
>
> *During the inspection, I noted that the EdenCrete concrete had performed exceptionally well over the*

last three years. This was particularly remarkable given the very high volume of vehicle use and associated surface abrasion coupled with the heavy and often repeated magnesium chloride applications. The test sections looked great. I observed no scaling or cracking in the EdenCrete sections, while the reference sections, with no EdenCrete, were exhibiting load and plastic shrinkage cracking and scaling.

OAM[1] has included EdenCrete through statement in the specifications that admixtures not listed may be used with approval of the product manager. We will continue to use the product in areas where a high level of reliability is required. We are extremely pleased with the EdenCrete product and look forward to continuing our evaluation of the product."

1 - Office of Asset Management

This long-term assessment by a government department after a 3-year field trial, conducted under very tough conditions, is of major importance to the future marketing of EdenCrete® across all parts of the US, as well as in any other countries, that are subject to snow and freezing winter conditions and where de-icing salts and road chemicals are commonly used.

First Volumetric Truck Batching

EdenCrete® was used for the first time in a volumetric truck batching and pumping project that commenced in November 2020 with On Demand Concrete, at Loveland, in Colorado (see Figure 2).

Figure 2. Volumetric truck mixing at the Loveland project site

This first EdenCrete® volumetric mixing project involved a two phase, large private residential floor with radiant coil heat tubes and went very well. The total slab thickness is 6" (150mm) however only 2" (50mm) of concrete covered the coils.

Whilst not a large project, it was important because volumetric truck batching has a growing market share in the residential, and small order markets and, importantly for DOT projects across the US.

These projects requiring volumetric truck batching services are often in rural or more remote locations that may not be easily supplied by ready-mix trucks supplied from plant batched concrete production. Truck based, volumetric concrete batching is a growing market sector and its importance is reflected by the number of ready-mix suppliers that are also suppliers of volumetric mixed concrete, and it is considered to be a likely growth market for EdenCrete® in many parts of the US.

First project - in Wichita

A new and significant construction project that included EdenCrete® enhanced concrete in a $51 million expansion project that includes a new 505-bay carpark and 10-story tower which changes the skyline of Wichita, Kansas is underway. The two-phase project, RISE: A Beacon of Progress, began with the construction of the new five-story private carpark building (that is now complete), including 17,000 square feet of street-level retail space (see Figure 3-4).

Phase two will be the construction of The Tower, a 10-story building with 135,000 square feet (12,542 square metres) of floor space, including a large rooftop green space featuring grass and trees, on the site of the original parking deck. Upon completion the new carpark will be connected to The Tower by a two-story walkway.

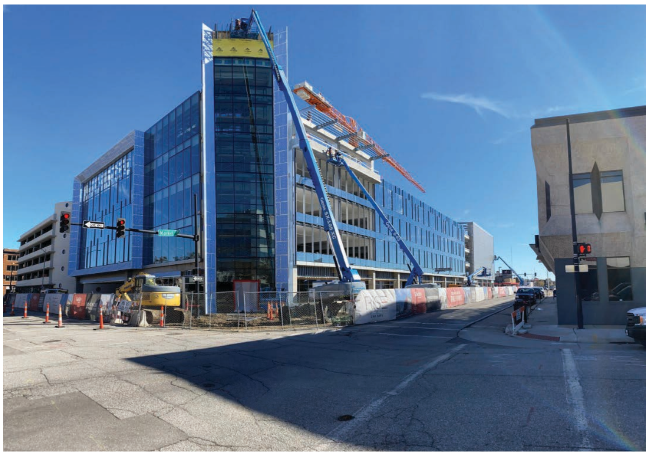

Figure 3 - Rise project in Wichita, Kansas.

Andale Ready Mix was the concrete supplier for the project and approved and specified the use of EdenCrete® in the concrete to be installed in the decks, ramps, sidewalks and entryways of the new carpark, to deliver improved crack reduction, abrasion and scaling resistance and better pumpability. A total of 2,700 cubic yards (2,064 m3) of concrete was estimated to be required for this phase of construction that included more than US$30,000 worth of EdenCrete®. Laying the carpark decks and ramps, in which the EdenCrete® infused concrete was applied in a 4 inch (100mm) thick concrete overlay, commenced on 19 November 2020 and delivered a very successful outcome. The first 200 cubic yards of EdenCrete® concrete was

REVIEW OF OPERATIONS (Continued)

pumped via a boom pump to the fourth-floor deck level, a vertical distance of approximately 15 metres, pumped through approximately 30 metres of 100mm diameter hose.

The mix pumped well with no issues. Pump pressures were measured at low 100's bar (around 10 MPa). The pump operator said the required pumping pressure in a similar pumping application, without the added EdenCrete®, would usually be in the range of 200-225bar (20-22.5 MPa).

The project was completed shortly after the end of the quarter and all parties involved were extremely pleased with the performance improvements and other benefits that the EdenCrete® delivered and as a result three new ready-mix companies in the Wichita area are nor trialling EdenCrete® in their concrete mixes.

Figure 4. Installing top deck of car park

AUSTRALIA

First Significant Sale of EdenCrete® Products

- First significant sale to Parchem Construction Supplies Pty Ltd during the period for US$58,278 for a 20-foot container load of EdenCrete® products, comprising mostly EdenCrete® and a limited quantity of EdenCrete®Pz, that was supplied from Eden's plant in Littleton, Colorado, USA.
- This order was a very welcome development and follows significant interest in EdenCrete® products being shown by a range of companies in Australia and New Zealand, that in turn has resulted in a number of successful trials of EdenCrete® products being carried out by potential customers.
- After extensive communications over more than 12 months, NICNAS, the Australian Government body that assesses chemical products that are proposed to be manufactured in, or imported into, Australia completed the formal assessment of the EdenCrete® products that Parchem Industrial Products, the Australian and New Zealand distributor of EdenCrete®, applied to import, and subsequent to the end of the period NICNAS approved the importation for sale and use in Australia of the EdenCrete products.
- After a long wait, this finally opens the way for Parchem to import EdenCrete® Products into Australia for sale.
- A number of successful trials by potential Australian customers have been carried out that are hoped will lead to early sales as the products become more available in Australia.

EUROPE

Trials of EdenCrete® Products

- Extensive trials of EdenCrete® by a large European construction company commenced in mid-2019 and were scheduled to be completed by April 2020. However due to COVID-19, the trials were shut down for almost 9 months.
- In October 2020 the construction company re-opened its research facilities and requested a trial be carried out at a pre-fabrication plant owned by one of its subsidiaries, which represents an exciting and very encouraging development after a long delay.
- Further product has been supplied to the pre-fabrication plant for these further trials.

INDIA

First EdenCrete® Commercial Order received

- Eden received its first purchase order from the construction division of Godrej & Boyce Manufacturing Co. Ltd ("Godrej"), to supply it with EdenCrete®Pz for use in its ready-mix concrete operation that is run by Godrej Construction, the construction division of Godrej. The product was delayed in transit but was received by Godrej late in 2020.

ISRAEL

First Sale of EdenCrete® Products

- Following earlier successful trials, Eden received its first purchase order to supply Argil Group with both EdenCrete® and EdenCrete®Pz for use in a number of forthcoming commercial trials, initially focused on industrial flooring, shotcrete applications and construction concrete strength testing.

SOUTH KOREA

Trials of EdenCrete® Products

- Trials of EdenCrete® by a number of large South Korean companies have taken place in spite of ongoing difficulties periodically arising due to COVID 19. Some of these trials are still ongoing. To date, whilst some of the results have been encouraging, no sales have yet been achieved.

OPTIBLEND®

The half year OptiBlend® sales were 47% higher than in the in 2019, in spite of COVID-19 difficulties and lockdowns in both USA and India. The Indian sales for the half year (of the equivalent of A$587,000) is by far the highest half yearly sales India has ever achieved, but this is anticipated to continue and perhaps to rise further if the current regulations are enforced.

In India, on 8 October 2020, the Environment Pollution (Prevention and Control) Authority (EPCA), a body mandated by the Indian Supreme Court, banned the use of diesel generator sets, with effect from 15 October 2020, in Delhi (the National Capital Territory), Noida, Ghaziabad, Faridabad and Gurugram, that collectively comprise the National Capital Region (NCR region). The NCR region encompasses an area of 30,242 sq. km and has a total population of over 47 million people. Delhi alone, now has a population of over 20 million people.

The ban applies throughout the NCR region to non-essential diesel-powered generator sets during the winter period. This ban supports similar policies to reduce the air pollution that were earlier detailed in the National Clean Air Programme (NCAP), which, to date, State governments in Haryana, Maharashtra and Tamil Nadu have already adopted and which are considered likely to be adopted in further States.

Importantly, NCAP expressly approved the retrofitting of diesel-powered generator sets for partial Natural Gas usage (using a fuel mixture of diesel and Natural Gas) as a cost-effective way to convert the huge number of existing diesel generator sets across India to a Natural Gas operation, opening this major market opportunity for the OptiBlend® dual fuel system. The three States of Haryana, Maharashtra and Tamil Nadu, together with the NCR region are where piped Natural Gas is currently available (in Tamil Nadu it is only currently available on a limited basis) and is being promoted as a clean fuel alternative for power generation through the conversion of diesel generator sets to a wholly or partial Natural Gas operation.

The total population of the NCR region, Haryana, Maharashtra and Tamil Nadu alone is approximately 276 million people, representing an estimated 20% of the Indian population. Consequently, Eden has been approached by a number of groups interested in helping to sell OptiBlend kits and some have been appointed as commission- only sales representatives which has assisted in greatly increasing our market coverage over this very significantly populated area.

In consequence, demand in India for OptiBlend® dual fuel systems have greatly increased. OptiBlend® sales by Eden India (Eden's wholly owned Indian subsidiary) for the half year ended 31 December 2020, reached approximately A$587,000, the highest half yearly total achieved to date, but which total is projected to continue to rise significantly over the coming periods.

For larger generator sets which comprise a significant share of Eden India's target market, these quotations are usually in the range of at least A$30,000 - A$40,000 per generator set. To enable it to access this huge, emerging market opportunity, Eden India is at present establishing a network of commission-only, sales representatives in areas where piped Natural Gas is already available, commencing in the NCR region and the States of Maharashtra, Goa and Punjab.

Eden India has been selling OptiBlend® dual fuel systems in India (and in Nigeria, Bangladesh and Dubai) for over 10 years, for use on a wide range of makes and models of diesel generator sets from most of the leading global and Indian generator set manufacturers. Eden India's customers include many leading Indian and international companies that have run OptiBlend® dual fuel systems without any disruption, in some cases for over 10 years. Eden India manufactures in India all the OptiBlend® dual fuel systems that it supplies to the Indian, Asian, African and Middle Eastern markets.

These systems all comply with the Eden US design and performance standards and provide a very cost-effective solution that enables Eden India to compete in these highly price sensitive markets.

EDENPLAST®

JAPAN

- A Japanese plastics company expressed interest in testing EdenPlast®, which resulted in a non-disclosure agreement to protect each party's intellectual property rights being executed. A concentrated master batch using the Japanese company's raw polypropylene in which 38% by weight of Eden's carbon nanotubes were dispersed of was then prepared in Australia and sent back to Japan for testing by the Japanese company.

ISRAEL

- Argil Group, the same company that has purchased the initial EdenCrete® order in Israel, has also expressed interest in EdenPlast® and discussions have commenced.

REVIEW OF OPERATIONS (Continued)

AUSTRALIA

Eden and University of Queensland awarded fifth consecutive collaborative research grant by the Australian Research Council

During the period the Australian Research Council ("ARC") awarded Eden and the University of Queensland ("UQ") a fifth consecutive ARC Linkage Research Grant worth A$376,518, payable over three years, to help fund the development on a new production method of carbon nanotube ("CNT") enriched thermoplastic composites. Both Eden and UQ will also contribute to the total cost of the project. These ARC linkage research grants are highly sought after and the process is extremely competitive.

The new project aims to develop a method to produce novel drawn polymer fibres incorporating aligned carbon nanotubes within the polymer. Such polymer fibres will show significant directional strength and stiffness and can themselves be used for reinforcing thermoplastics to make high performance, "smart", composites. There will specifically be focus on recyclability of the CNT reinforced fibres. This development could have significant commercial and environmental benefits as existing thermosetting composites are not readily recyclable and require high levels (>30%) of reinforcing fibres.

The targeted outcomes of this project, if successful, will be a novel technology for making high strength and stiffness polymer fibres reinforced with Eden's CNTs, expanding their potential use in thermoplastic composites. These new polymer fibres could also enable down-sizing of high-volume products that may well be suitable for use in high value automotive or aerospace products.

HYDROGEN

During the half year Eden was approached by several companies relating to possible collaborations involving Eden's hydrogen capabilities. Preliminary talks have occurred but to date none have been progressed. However, Eden remains open to considering such a collaboration, provided that it will not compromise Eden's existing technologies or other operations in any way.

CORPORATE

- In December 2020 Eden successfully completed a placement raising A$5 million before costs through the issue of ordinary shares at A$0.026 with one free attaching placement option exercisable at 5 cents on or before 11 December 2022 with every four new shares.
- In July 2020 Eden successfully completed a share purchase plan raising A$4.2 million before costs through the issue of ordinary shares at A$0.028.
- Additionally, in November 2020 Eden entered into a backstop financing facility ("the backstop facility") for up to an additional A$7.2 million and received shareholder approval of the backstop facility at Eden's annual general meeting that was held in November 2020.

Gregory H Solomon
Executive Chairman

For information, please contact Greg Solomon (+61 8 9282 5889) or visit www.edeninnovations.com

DIRECTORS' REPORT

Your directors submit the financial report of Eden Innovations Limited and its controlled entities ("Group") for the half year ended 31 December 2020.

Directors

The names of directors who held office during or since the end of the half year:

Mr Gregory H Solomon
Mr Douglas H Solomon
Mr Lazaros Nikeas
Dr Stephen Dunmead

Review of Operations

The net loss after income tax for the half year was $2,840,213 (2019: $4,092,532).

A review of the operations of the Group during the half year ended 31 December 2020 is set out in the Review of Operations on page 5.

Auditor's Declaration

The lead auditor's independence declaration under section 307C of the Corporations Act 2001 is set out on page 12 for the half-year ended 31 December 2020.

This report is signed in accordance with a resolution of the Board of Directors.

Director ______________________________

Gregory H Solomon

Dated this 25th day of February 2021

Nexia Australia

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

To the directors of Eden Innovations Limited

I declare that, to the best of my knowledge and belief, in relation to the review for the period ended 31 December 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 review; and

(ii) no contraventions of any applicable code of professional conduct in relation to the review.

NPAS

Nexia Perth Audit Services Pty Ltd

Muranda Janse Van Nieuwenhuizen
Director

Perth
25 February 2021

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CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE HALF-YEAR ENDED 31 DECEMBER 2020

	Note	Consolidated Group	
		31 Dec 2020	**31 Dec 2019**
		$	**$**
Revenue		1,580,757	1,188,566
Other income		1,631	4,019
Changes in inventories		634,550	(44,498)
Raw materials and consumables used		(950,975)	(497,528)
Depreciation and amortisation expense		(615,699)	(625,213)
Employee benefits expense		(1,949,176)	(2,579,993)
Finance costs		(358,175)	(14,637)
Legal and consultants		(328,452)	(464,792)
Management fees		(150,000)	(150,000)
Other financial items	3	(7,119)	35,701
Other expenses		(634,831)	(786,402)
Travel and accommodation		(62,724)	(157,755)
Loss before income tax		(2,840,213)	(4,092,532)
Income tax (expense)/benefit		-	-
Loss for the period		(2,840,213)	(4,092,532)
Other Comprehensive Income / (Loss)			
Items that may be reclassified subsequently to profit or loss			
Exchanges differences on translating foreign operations		(989,287)	(6,516)
Income tax relating to other comprehensive income		-	-
Total other comprehensive income / (loss), after tax		(989,287)	(6,516)
Total Comprehensive Income / (Loss) attributable to members of the parent		(3,829,500)	(4,099,048)
Basic/Diluted loss per share (cents per share)		(0.151)	(0.240)

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2020

	Note	Consolidated Group	
		31 Dec 2020	30 Jun 2020
		$	$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents		5,541,661	1,388,683
Trade and other receivables		324,768	396,366
Inventories		1,219,044	701,781
Other current assets		274,715	98,084
TOTAL CURRENT ASSETS		7,360,188	2,584,914
NON-CURRENT ASSETS			
Property, plant and equipment		10,670,801	11,999,422
Intangible assets		8,738,345	8,223,113
Other non-current assets		62,448	-
TOTAL NON-CURRENT ASSETS		19,471,594	20,222,535
TOTAL ASSETS		26,831,782	22,807,449
CURRENT LIABILITIES			
Trade and other payables		763,502	878,389
Interest bearing liabilities	7	4,581,058	816,566
Provisions		177,874	180,313
TOTAL CURRENT LIABILITIES		5,522,434	1,875,268
NON-CURRENT LIABILITIES			
Interest bearing liabilities	7	514,130	5,181,439
Other liabilities		18,512	18,230
TOTAL NON-CURRENT LIABILITIES		532,642	5,199,669
TOTAL LIABILITIES		6,055,076	7,074,937
NET ASSETS		20,776,706	15,732,512
EQUITY			
Issued capital	2	114,627,880	105,503,776
Reserves		8,645,729	9,885,426
Accumulated losses		(102,496,903)	(99,656,690)
TOTAL EQUITY		20,776,706	15,732,512

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE HALF YEAR ENDED 31 DECEMBER 2020

	Ordinary Share Capital	Share based payment Reserve	Foreign Currency Translation Reserve	Accumulated Losses	Total
	$	$	$	$	$
Balance at 1 July 2019	102,636,700	8,134,763	818,970	(90,550,699)	21,039,734
Shares issued during the period	2,867,076	-	-	-	2,867,076
Share based payments during the period	-	243,694	-	-	243,694
Loss for the period	-	-	-	(4,092,532)	(4,092,532)
Other comprehensive income	-	-	(6,516)	-	(6,516)
Balance at 31 December 2019	105,503,776	8,378,457	812,454	(94,643,231)	20,051,456
Balance at 1 July 2020	105,503,776	8,584,158	1,301,268	(99,656,690)	15,732,512
Shares issued during the period (net of costs)	9,124,104	-	-	-	9,124,104
Share based payments during the period	-	(250,480)	-	-	(250,480)
Loss for the period	-	-	-	(2,840,213)	(2,840,213)
Other comprehensive income	-	-	(989,217)	-	(989,217)
Balance at 31 December 2020	114,627,880	8,333,678	312,051	(102,496,903)	20,776,706

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE HALF-YEAR ENDED 31 DECEMBER 2020

	Consolidated Group	
	31 Dec 2020	**31 Dec 2019**
	$	**$**
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	1,593,282	1,068,484
Payments to suppliers and employees	(4,312,192)	(4,878,600)
Interest paid	(228,615)	(24,026)
Interest received	585	3,671
Net cash used in operating activities	(2,946,940)	(3,830,471)
CASH FLOWS FROM INVESTING ACTIVITIES		
Payment for development of intangibles	(800,549)	(1,278,778)
Purchase of property, plant and equipment	(355,133)	(77,132)
Net cash used in investing activities	(1,155,682)	(1,355,910)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from shares issued	8,835,092	2,843,473
Proceeds from borrowings	-	110,874
Repayment of borrowings	(316,213)	(301,361)
Net cash provided by financing activities	8,518,879	2,652,986
Net increase/(decrease) in cash held	4,416,257	(2,533,395)
Net increase/(decrease) due to foreign exchange movements	(263,279)	11,480
Cash at beginning of period	1,388,683	3,217,555
Cash at end of period	5,541,661	695,640

The accompanying notes form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2020

NOTE 1: BASIS OF PREPARATION

The half-year consolidated financial statements are a general purpose financial report prepared in accordance with the requirements of the Corporations Act 2001, Australian Accounting Standard AASB 134: Interim Financial Reporting, Australian Accounting Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board. Compliance with AASB 134 ensures compliance with IAS 34: Interim Financial Reporting.

It is recommended that this financial report be read in conjunction with the annual financial report for the year ended 30 June 2020 and any public announcements made by Eden Innovations Ltd during the half-year in accordance with continuous disclosure requirements arising under the Corporations Act 2001 and the ASX Listing Rules. The half-year report does not include full disclosures of the type normally included in an annual financial report.

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.

The Group has reported a net loss for the period of $2,840,213 (2019: $4,092,532) and a cash outflow from operating activities of $2,946,940 (2019: $3,830,471). The directors are confident that the Group, subject to being able to raise further capital, will be able to continue its operations as a going concern.

Without such capital, the net loss for the period 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

The accounting policies have been consistently applied by the entities in the consolidated group and are consistent with those in the June 2020 financial report.

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 half-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 interim financial report.

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2020

NOTE 2: ISSUED CAPITAL

a. **Ordinary shares**	**31 Dec 2020 No.**	**30 June 2020 No.**	**30 Dec 2020 $**	**31 June 2020 $**
At the beginning of reporting period	1,723,596,366	1,660,801,742	105,503,776	102,636,700
Shares issued during the period (net of costs)	354,101,997	62,794,624	9,124,104	2,867,076
At reporting date	2,077,698,363	1,723,596,366	114,627,880	105,503,776

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**	**31 Dec 2020 No.**	**30 June 2020 No.**
At the beginning of reporting period	83,029,634	111,559,056
Options issued	56,394,506	1,000,000
Options exercised	(3,750)	-
Options lapsed/cancelled	(330,000)	(29,529,422)
At reporting date	139,090,390	83,029,634

c. **Performance rights**	**31 Dec 2020 No.**	**30 June 2020 No.**
At the beginning of reporting period	26,391,012	-
Performance rights issued	-	26,391,012
At reporting date	26,391,012	26,391,012

NOTE 3: OTHER FINANCIAL ITEMS

Foreign exchange gain / (loss)	(7,119)	35,701
Total	(7,119)	35,701

NOTE 4: CONTINGENT LIABILITIES AND CONTINGENT ASSETS

The Directors are not aware of any contingent assets or contingent liabilities as at 31 December 2020.

NOTE 5: EVENTS SUBSEQUENT TO REPORTING DATE

No matters or circumstances have arisen since the end of the period which significantly affected or may significantly affect the operations of the consolidated entity, the results of those operations, or the state of affairs of the consolidated entity in future financial years.

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2020

NOTE 6: 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.

Transactions with related parties:

	31 Dec 2020 $	31 Dec 2019 $
Key Management Personnel		
Management fees and administration fees paid / payable to Princebrook Pty Ltd, a company in which Mr GH Solomon and Mr DH Solomon have an interest.	150,000	150,000
Legal and professional fees paid to Solomon Brothers, a firm in which Mr GH Solomon and Mr DH Solomon are partners.	22,688	10,542

NOTE 7: INTEREST BEARING LIABILITIES

	31 Dec 2020 $	30 Jun 2020 $
Dumont Way property purchase loan (2nd mortgage over the Dumont Way property, 4% interest rate, denominated in USD and 2.3 years remaining)	234,915	257,912
Insurance premium funding (Unsecured, 6% interest rate and denominated in USD)	55,779	-
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)	549,033	358,654
SnowPoint Loan (Secured over all 3 properties, 11% interest rate, denominated in USD and 18 month term with further 6 month option)	3,741,331	-
Total current portion	4,581,058	816,566
Dumont Way property purchase loan (2nd mortgage over the Dumont Way property, 2% interest rate, denominated in USD and 2.3 years remaining)	239,613	531,401
SBA Loan (Unsecured, 1% interest rate, denominated in USD and 2 year term)	274,517	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	514,130	772,355
Total	5,095,188	1,019,777

Movements in Interest Bearing Liabilities	31 Dec 2020 $	30 Jun 2020 $
Opening Balance	5,998,005	1,019,777
Proceeds from borrowing, net of borrowing costs	132,949	8,125,557
Repayment of borrowings	(506,365)	(3,122,254)
Borrowing costs expensed	98,315	293,458
FX (gain) / loss	(627,716)	(318,533)
Closing balance	5,095,188	5,998,005

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2020

NOTE 8: SEGMENT INFORMATION

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 in USA.
- Eden Innovations India Pvt Ltd –Optiblend™ sales, service and manufacturing in India.

	Eden Innovations LLC $	Eden Energy India Pvt Ltd $	Eliminations $	Economic Entity $
2020				
External sales	980,225	600,532	-	1,580,757
Internal sales	842,775	-	(842,775)	-
Total segment revenue	1,823,000	600,532	(842,775)	1,580,757
Segment Result	(1,745,001)	408,482	(97,109)	(1,433,629)
Unallocated expenses				(1,048,409)
Result from operating activities				(2,482,037)
Finance costs				(358,175)
Loss before income tax				(2,840,212)
Income tax benefit				-
Loss after income tax				(2,840,212)
Segment assets	13,960,960	645,010	-	14,605,970
Unallocated assets				12,225,812
Total assets				26,831,782
Segment liabilities	5,793,369	487,380	(422,400)	5,858,349
Unallocated liabilities				196,727
Total liabilities				6,055,076
Capital expenditure	355,133	-	800,549	1,155,682
Depreciation and amortisation	347,976	-	267,723	615,699
2019				
External sales	1,039,277	149,289		1,188,566
Internal sales	1,090,535	-	(1,090,535)	-
Total segment revenue	2,129,812	149,289	(1,090,535)	1,188,566
Segment Result	(2,807,090)	(996)	(36,899)	(2,844,985)
Unallocated expenses				(1,232,910)
Result from operating activities				(4,077,895)
Finance costs				(14,637)
Loss before income tax				(4,092,532)
Income tax benefit				-
Loss after income tax				(4,092,532)
Segment assets	13,680,663	332,333	-	14,012,996
Unallocated assets				7,741,943
Total assets				21,754,939
Segment liabilities	1,510,511	486,560	(458,312)	1,538,759
Unallocated liabilities				164,724
Total liabilities				1,703,483
Capital expenditure	77,132	-	1,264,450	1,341,582
Depreciation and amortisation	398,812	-	226,401	625,213

DIRECTORS' DECLARATION

The directors of the company declare that:

- 1. The financial statements and notes, as set out on pages 13 to 20:
  - a. comply with Australian Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001; and
  - b. give a true and fair view of the Group's financial position as at 31 December 2020 and of its performance for the half-year ended on that date.
- 2. In the directors' opinion there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable.

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

Director ____

Gregory H Solomon

Dated this 25th day of February 2021

Independent Auditor's Review Report to the members of Eden Innovations Limited

Report on the Interim Financial Report

Conclusion

We have reviewed the accompanying interim financial report of Eden Innovations Limited (the "Company") and its controlled entities (the "Group"), which comprises the condensed consolidated statement of financial position as at 31 December 2020, the condensed consolidated statement of profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the period ended on that date, other selected explanatory notes and the directors' declaration of the Group comprising the Company and the entities it controlled at the half-year end or from time to time during the period.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the interim financial report of Eden Innovations Limited and its controlled entities is not in accordance with the *Corporations Act 2001* including:

(a) giving a true and fair view of the Group's financial position as at 31 December 2020 and of its performance for the half-year ended on that date; and

(b) complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001.*

Emphasis of Matter - Material Uncertainty Related to Going Concern

Without modifying our review conclusion, we draw attention to Note 1 of the interim 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.

Directors' Responsibility for the Interim Financial Report

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

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Auditor's Responsibility

Our responsibility is to express a conclusion on the interim financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the interim financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the Group's financial position as at 31 December 2020 and its performance for the period ended on that date; and complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Eden Innovations Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of an interim financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001.* We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Eden Innovations Limited, would be in the same terms if given to the directors as at the time of this Review Report.

NPAS

Nexia Perth Audit Services Pty Ltd

M. Janse Van Nieuwenhuizen
Director

Perth
25 February 2021

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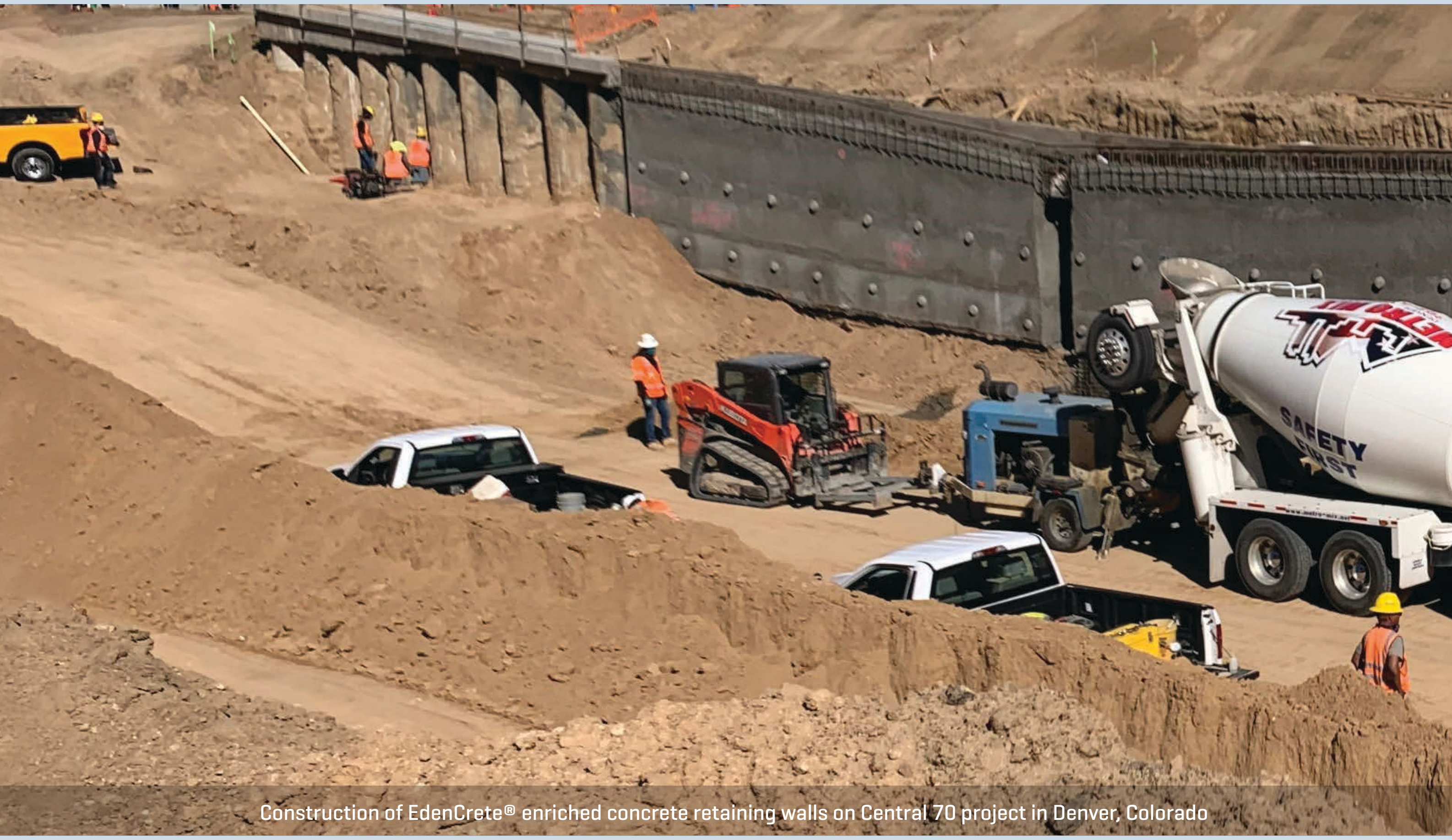

Construction of EdenCrete® enriched concrete retaining walls on Central 70 project in Denver, Colorado

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