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ACN 109 200 900

AUSTRALIAN SECURITIES EXCHANGE ANNOUNCEMENT

16 September 2024

Contract to Sell Georgia Property for US \$5million

Highlights

- After 5 months of inspections and surveys by the purchaser, Eden's US subsidiary has entered into a conditional contract to sell its 65.58 acres of industrial land in Augusta, Georgia for US\$5 million (A\$7.494 million).
- The contract is subject to several conditions as detailed below.
- If the sale is completed, after broker commission and expenses, it will reduce the amount of the existing loan from iBorrow that is secured over Eden's US subsidiary's US real estate assets by approximately US\$4.6 million (A\$6.894 million) (i.e. from US\$5.8 million to approximately US\$1.2 million), thereby reducing the cost of servicing this loan by almost 80%.
- If Eden's US subsidiary also sells its property at Mead Way in Littleton, Colorado that is also on the market, and which has an appraised value \$2.6 - \$3.0 million, this will then enable the entire debt owed to iBorrow to be repaid, resulting in the only outstanding loans to Eden and its US subsidiaries being those from the Small Business Administration's Paycheck Protection Program (US) and from Eden's major shareholder, Tasman Resources Limited.

Details

1475 Doug Barnard Parkway, Augusta, Georgia

Eden Innovations Ltd ("Eden") is pleased to announce that Eden Real Estate LLC (a wholly-owned subsidiary of Eden) ("the Seller") has entered into a Purchase and Sale Agreement ("the Contract") to sell to JB2 Partners LLC, a Georgia Limited Liability Company and/or its assigns ("the Purchaser") the Seller's 65.58 acres of industrial land at 1475 Doug Barnard Parkway, Augusta, Georgia ("the Property") for US\$5 million (A \$7.494 million).

Before making an offer, the Purchaser undertook several inspections and an environmental survey of the Property, spread over a 5-month period.

The Contract is conditional upon several conditions including:

- The Seller shall supply to the Purchaser the following:
 - the Title Commitment from the Chicago Title Insurance Company and an ALTA owner's policy of title insurance for the purchase price;

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- the Seller's most recent survey of the Property and all documents in the Seller's possession or control related to the development, ownership and operation of the Property.
- The Purchaser will have 30 days to review and approve the Title Commitment and the survey.
- The Purchaser will also have 90 days ("the Inspection Period") to undertake a detailed due diligence review of the above documents and the Property and its feasibility and may extend the Inspection Period for up to two additional periods of 30 days.

Eden understands that the Inspection Period may be shorter than 90 days as the Purchaser has already completed some of the due diligence review.

If the Purchaser is not satisfied with any of the Title Commitment, the survey or its due diligence investigations, it may terminate the Contract.

The Contract contains usual representations, warranties and indemnities in favour of the Purchaser in relation to the Property, including as to the Seller's title thereto, the state and condition of the Property and environmental matters.

The Seller purchased the Property in 2018 for use as a proposed factory site for US\$1.2 million (A\$1.8million).

12395 Mead Way, Littleton, Colorado

As previously foreshadowed (see Eden's ASX announcement of 24 June 2024) Eden has also listed for sale one of its two properties in Denver, Colorado. In 2023, the property at 12395 Mead Way had an appraised value of \$2,600,000 which was reflected in Eden's accounts for the half-year ended 31 December 2023.

A number of potential buyers have already inspected this property over the past three weeks and Eden is hopeful that this property will also be sold in the near future.

Outlook

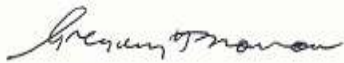
Whilst the Contract is conditional and the outcome cannot be guaranteed, Eden is confident that, following the extensive review of the Augusta property that was undertaken by the Purchaser before it signed the Contract, the sale of the Property will be completed in due course and hopefully before the end of 2024.

This will significantly reduce the operating costs of Eden's US subsidiaries.

Further, if the Mead Way property is also sold at or near its appraised value, this will enable Eden to fully discharge its existing secured loan to iBorrow and further reduce its operating costs.

Assuming both of these properties are sold, this would leave Eden Innovations LLC ("Eden US") and its subsidiaries (including the Seller) with the following outcomes:

- Eden US would still retain its full production and operating capability at its remaining Denver property (which will still be owned by the Seller) from where it will continue to manufacture, store and market all its carbon nanotubes, EdenCrete® range of admixtures and OptiBlend™ dual fuel systems, as well as accommodate its sales, production and administrative staff;
- The Seller would have fully discharged the iBorrow debt; and
- Reduce Eden US and its subsidiaries' annual operating costs by approx. US\$864,000 (approx. A\$1.3 million) per year, which with projected sales of its products, is anticipated to result in Eden US and its subsidiaries achieving a positive cash-flow in the first half of 2025.



Gregory H. Solomon
Executive Chairman

This announcement was authorised by the above signatory.

For any queries regarding this announcement please contact Greg Solomon on +61 8 9282 5889