

## AUSTRALIAN SECURITIES EXCHANGE ANNOUNCEMENT

24 June 2024

### PROPOSED US PROPERTY SALES and OUTLOOK

#### HIGHLIGHTS

- **AUGUSTA, GEORGIA**

Following inspections and an environmental survey conducted over the past two months, a potential purchaser is considering, subject to undertaking a due diligence review, acquiring Eden's 65-acre industrial site in Augusta, Georgia. A second potential purchaser also remains interested in acquiring the land.

The appraised value of this property from the independent valuer in October 2023 was US\$5,000,000.

- **12395 MEAD WAY, LITTLETON, COLORADO**

Following a recent review by the Colorado branch of a national US real estate group of one of Eden US's two properties in Colorado that is not required for Eden US's on-going operations, Eden is proceeding to sell its Mead Way property, the appraised value of which, from the independent valuer in October 2023, was \$2,600,000 which was reflected in our accounts for the half-year ended 31 December 2023.

- **OUTLOOK**

If these two properties are sold, it will greatly assist Eden to drive both its sales growth and re-emergence as a world class, clean technology innovator with a range of unique and well proven products which would :

- Leave Eden US with its full production and operating capability at its remaining property at Littleton, Colorado from where it will 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;
- Provide funds to, repay in full or at least significantly reduce its secured loan of US\$5.8 million dollars from iBorrow;
- Reduce Eden's US annual operating costs by up to approx. US\$864,000 (approx. A\$1.3 million) per year and leave its remaining property unencumbered;
- Any excess proceeds from the sale of these two properties after repaying in full the Secured loan owed to iBorrow, would be used to:
  - Repay a modest portion of Eden's unsecured debts and/or
  - Provide some additional working capital.

## DETAILS

**Eden Innovations Ltd (“Eden”) (ASX: EDE) is pleased to report on recent developments in relation to it selling two of its three US industrial properties and Eden’s ongoing outlook.**

### **Augusta, Georgia Property - 1475 Doug Barnard Parkway, Augusta, Georgia comprising approximately 65.58 acres of industrial land**

- Following inspections and an environmental survey conducted over the past two months, a potential purchaser is considering, subject to a due diligence review, acquiring Eden’s 65-acre industrial site in Augusta, Georgia. The appraised value of this property from an independent valuer in October 2023 was US\$5,000,000.
- A second potential purchaser also remains interested in acquiring the land.

### **Proposed Sale of offices/factory - 12395 Mead Way, Littleton, Colorado**

- A decision has been made by Eden to sell one of its two industrial properties in Littleton, Colorado. The property to be sold is significantly under-utilised and its sale will not impact on the current operational capability of Eden U
- All of Eden US’s on-going operations and staff are all able to be housed in Eden’s abutting factory where all its production and the storage of its products can be accommodated. Should any offsite storage be required, there is suitable rental space in very close proximity, that would cost less than US\$15,000 per year to rent.
- The appraised value of this property from an independent valuer in October 2023, was \$2,600,000 which was reflected in our accounts for the half-year ended 31 December 2023.

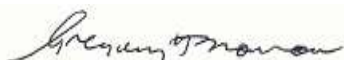
### **Benefits of the sale of the two Properties**

- It is anticipated that the sale of these two properties could be achieved within the next 6 months. There is, however, no certainty that the sale prices that Eden will achieve will not be less than the appraised values, as, with all sales, prices are subject to variation due to changing market conditions from time to time.
- The sales would leave Eden US with its full production and operating capability at its remaining property at Littleton, Colorado where it will produce and store all its carbon nanotubes, EdenCrete® range of admixtures and OptiBlend™ dual fuel systems.
- The funds would be applied as follows:
  - Repay all or a significant part of the current secured loan of US\$5.8 million dollars owed to iBorrow, that is currently secured by a first mortgage over Eden’s three industrial properties (two in Colorado and one in Georgia) and potentially leave the remaining property in Colorado free from encumbrances;
  - Any excess proceeds would be used :
    - In part as additional working capital for the Eden Group, and
    - In part to reduce the remaining unsecured loans owed by Eden to Noble Energy Pty Ltd.
  - The outcome would be to reduce Eden’s US annual operating costs by up to approximately US\$864,000 (approximately A\$1.3 million) per year by:
    - Eliminating the interest currently being paid to iBorrow, and

- Greatly reducing the significant holding costs (rates, taxes, insurance, maintenance etc).

## Outlook

- Growth in products sales and the market footprints of Eden's world class products, EdenCrete® concrete admixtures and its OptiBlend® dual fuel system is continuing and showing positive signs of accelerating. Additionally, there is also emerging interest in Eden's proprietary pyrolysis process and its carbon nanotube products.  
The accelerating growth, which until recently has been slower than expected, is evidenced by:
  - Recent initial sales of EdenCrete® products to Holcim subsidiaries in Ecuador and US, coupled with further ongoing trials with five of its subsidiaries (in USA, Ecuador, Canada, UK and Mexico),
  - A steady expansion of the broader US EdenCrete® market into new US industry sectors and additional US states,
  - Growing interest in EdenCrete® products from a number of other countries including India, Indonesia and South Africa,
  - A significant increase in the number of companies, mainly from the US, requesting quotations or undertaking trial-installations of OptiBlend® dual fuel systems as a forerunner to larger orders. In the US where there is presently a surge in the level of oil and gas exploration that is generating numerous encouraging opportunities with potential for significant new sales, and
  - The recently announced joint venture with US based Aerospace Ventures, to utilise Eden's carbon nanotubes in batteries, which is gradually gaining momentum.
- Eden has undertaken significant cost cutting and re-structuring of its US operation over the past two years, focusing on improving both manufacturing, marketing and sales efficiency and increasing our product sales.
- After having endeavoured for two years to sell the Augusta property, the emerging opportunity to finally realise funds from the sale of the two of its properties that are not essential for Eden's current or medium-term requirements, will enable Eden to repay the secured loans and eliminate the interest and borrowing costs that the Eden Group has been paying.
- The targeted outcomes from this will be to:
  - Provide Eden with the opportunity to focus far more of its resources on driving sales and market growth thereby further increasing sales revenue,
  - Significantly reduce its ongoing operating costs and greatly reduce its heavy debt burden,
  - Strengthen Eden's balance sheet, and
  - Use its expanding revenue to fund greater sales growth rather than in servicing loans over real estate that is not essential to its operation, and
  - Collectively provide the catalyst to drive the emergence of Eden as a world leading, clean technology innovator with a range of unique and well proven products.



**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