



ACN 009 253 187

AUSTRALIAN SECURITIES EXCHANGE ANNOUNCEMENT

26 NOVEMBER 2020

EDEN INNOVATIONS LTD - EQUITY PLACEMENT FACILITY AGREEMENT

Please see attached an ASX Announcement by Eden Innovations Ltd (ASX: EDE) for further details.

Background

Tasman through its wholly owned subsidiary, Noble Energy Pty Ltd, holds 624,634,707 fully paid shares in Eden representing 33.27% of the total issued capital of Eden Innovations Ltd and 14,814,815 EDEOB options (representing 21.26% of the issued EDEOB options).

A handwritten signature in black ink, appearing to read "Aaron Gates", with a long horizontal stroke extending to the right.

Aaron Gates
Company Secretary



Innovations that work.™

ACN 109 200 900

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EQUITY PLACEMENT FACILITY AGREEMENT

Eden Innovations Limited (**Eden**) is pleased to announce that it has entered into a \$7,200,000 equity placement facility agreement (**Agreement**) with Long State Investment Limited (**Long State**).

Long State is an investment company which focuses on the technology, industrial, mining and energy sectors. It has made investments globally, including in Australia.

The Agreement will provide Eden with a fully flexible funding facility (**Facility**). Under the Facility, Eden can access capital to fund its ongoing working capital, as and when required, with the timing of drawdowns and the minimum issue price of ordinary shares (**Shares**) to be issued to Long State under the Agreement (**Placement Shares**) entirely at Eden's discretion.

Under the Agreement, Eden may, at its discretion, at any time and from time to time over a 24 month period commencing on the date of shareholder approval, issue Long State with a placement notice (which requires Long State to subscribe for shares in Eden) for an aggregate placement amount of up to \$7,200,000. Each placement notice can be for a maximum amount of \$300,000 (increased to \$500,000 in respect of a placement with the prior consent of Long State). Long State has the ability to increase any placement amount notified by Eden by up to 15%. Eden is not obliged to use the Facility or to issue any placement notices under the Facility.

The material terms of the Agreement are as follows.

The Agreement (and all of the parties' rights and obligations under it) is subject to and conditional upon Eden's ordinary shareholders approving, in general meeting, the issue by Eden to Long State of the Implementation Shares for the initial instalment of the implementation fee, the options, the Escrow Shares, and the maximum number of placement shares which could be issued under the first placement notice (assuming it is issued for a placement amount of \$300,000) (all as described below in more detail), under and in accordance with this Agreement for the purposes of Listing Rules 7.1 and 7.3. The Company will seek this Shareholder Approval at its annual general meeting on 30 November 2020. If this condition is not satisfied, Eden may either terminate the Agreement or waive the condition (at its discretion). If shareholder approval is not obtained and Eden waives the above condition, all issues of Shares and Options under the Agreement will then be made in reliance on the directors 15% issuing capacity under Listing Rule 7.1. If shareholder approval is given, to the extent the issue of the Escrow Shares and the first issue of placement shares (if any) occurs more than 3 months after the date of shareholder approval, the Escrow Shares and placement shares will then be made in reliance on the director's 15% issuing capacity under Listing Rule 7.1 (this will also be the case with respect to any subsequent issue(s) of placement shares).

Eden's ability to give a placement notice is subject to, in addition to the satisfaction of the condition precedent referred to above, certain conditions being satisfied at the time the placement notice is given, during the Pricing Period and on the placement closing date including, amongst other things, the ongoing quotation of its Shares on ASX.

Shares will be issued to Long State at an issue price which is 95% of the higher of:

- (a) \$0.02 or, if greater, the minimum acceptable price stipulated by Eden in its placement notice (**Minimum Acceptable Price**); and
- (b) the numeric average of 5 daily VWAPs nominated by Long State from those during the 20 consecutive trading days commencing on the trading day immediately after the Released ES (as referred to below) are released from escrow following a placement notice being given by Eden to Long State (**Pricing Period**) (but on the basis that, on any trading day within the Pricing Period on which the VWAP is less than or equal to the Minimum Acceptable Price, the VWAP will be deemed to be the Minimum Acceptable Price).

Long State may reduce the placement amount specified by Eden in a placement notice by 5% for each day during the Pricing Period that the daily VWAP of the Shares is lower than the Minimum Acceptable Price.

A commission of 4% will be payable by Eden to Long State on each placement amount subscribed by Long State (plus GST, where applicable).

An implementation fee of \$25,000 is payable in cash or Shares (at Eden's election) on the first business day after shareholder approval is obtained (**First IF**). Further implementation fees, each of \$35,000, are payable on the first date upon which placements have taken place under the Agreement for aggregate placement amounts which are equal to or exceed the following amounts: \$2,000,000, \$4,000,000 and \$6,000,000 respectively. Any Shares issued in payment of an implementation fee (**Implementation Shares**) are to be based on the five-day VWAP for the five trading days immediately prior to when the implementation fee is due. Eden intends to satisfy the First IF by the issue of Implementation Shares.

In addition, as required by the Agreement, on the first business day after shareholder approval is obtained, the Company will issue to Long State \$300,000 worth of options, each at an exercise price of 150% of the five-day VWAP for the five trading days immediately prior to the date shareholder approval is obtained and exercisable on or before three years from their date of issue.

Prior to issuing the first placement notice under the Facility, Eden must issue to Long State 21,250,000 escrow shares (**Escrow Shares**) in order to secure the performance by Eden of its obligations under the Agreement. The Escrow Shares will have a holding lock applied to them.

Each time Eden delivers to Long State a placement notice, the escrow period for that number of Escrow Shares as is calculated by dividing the notified placement amount by the Minimum Acceptable Price will end on the date which is five business days after the date of delivery of that placement notice (**Released ES**), at which time the Released ES shall cease to be subject to escrow and will be released from the holding lock. Upon the issue to Long State of Placement Shares under a placement notice, that number of the Placement Shares which equates to the Released ES in respect of that placement will become Escrow Shares and subject to a holding lock.

Whenever Eden is obliged to issue Shares to Long State under the Agreement, Eden may also, in its discretion, notify Long State that it will not issue the relevant Shares but will instead reduce the number of Escrow Shares by an equivalent number, in which case the escrow period for those Shares will end on the date which is five business days after Eden gives Long State notice of such election. Long State may also require Eden to reduce the number of Escrow Shares if Eden has failed to comply with an obligation which it has under the Agreement to issue Shares to Long State, in which case the escrow period for such Shares shall end on the date which is six business days after the receipt by Eden of a notice from Long State requiring a reduction in the number of Escrow Shares.

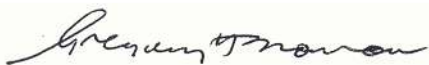
If the number of Escrow Shares on issue at any time is less than the number of Released ES which would apply to a proposed placement, Eden must top up the Escrow Shares by the amount of the deficiency before it is able to issue a further placement notice.

At the end of the 24-month period of the Facility, Long State must transfer, free of all security interests and for no consideration, 21,250,000 Shares (less any Escrow Shares that were released from escrow in lieu of Eden's obligation to issue Shares to Long State under the Agreement) to Eden's nominee to be held in trust for Eden.

The Implementation Shares, Escrow Shares and Placement Shares (if any are issued) will rank equally in all respects with all other issued Shares.

The Agreement includes usual representations and warranties and events of default and termination, including a right for Long State to terminate the Agreement if, for a period of 20 consecutive business days the VWAP of the Shares is less than 50% of the floor price (being \$0.02), the Shares are suspended from quotation for in excess of five business days, or an event occurs which has a material adverse effect on Eden.

Eden was advised on this transaction by EAS Advisors LLC , acting through Odeon Capital LLC, Member of FINRA / SIPC / MSRB / NFA who will be paid a commission of 2% of each placement amount subscribed by Long State (plus GST, where applicable).



Gregory H Solomon
Chairman

This announcement was authorised by the above signatory.
For any queries regarding this announcement please contact Aaron Gates on +618 9282 5889.