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ACN 109 200 900

AUSTRALIAN SECURITIES EXCHANGE ANNOUNCEMENT

27 May 2022

EDEN EXECUTES CONDITIONAL TERM SHEET TO RESTRUCTURE US SECURED DEBT AND INCREASE WORKING CAPITAL

Eden Innovations Ltd (Eden) (ASX: EDE) is pleased to announce that it has executed a conditional Term Sheet to refinance the two existing secured loans being:-

- the existing US\$3million debt (the “Current Loan”) secured against Eden’s three US properties (being two properties in Colorado and one in Georgia); and
- US\$365,482, being the remaining outstanding balance of the unpaid purchase price owing to the vendor to Eden US of the original property that Eden US acquired in Colorado (“the Unpaid Purchase Price”).

The proposed new secured loan, based upon a conservative Loan to Value Ratio of 50%, is for the sum of US\$6.075 million (A\$8.596 million) (“the Replacement Loan”), being 50% of the aggregate of the recently appraised values of Eden’s three US properties of US\$12.15 million (A\$17.19 million). The Replacement Loan will be secured against these three US properties (that are owned by Eden US) and the Replacement Loan will be guaranteed by Eden Australia.

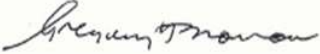
The Term Sheet (and accordingly the Replacement Loan) is conditional upon agreement and execution of the formal loan and security documentation that is presently being prepared, a number of other conditions detailed below, and the completion of transaction that is expected to occur on or before 14 June 2022.

After discharging the Current Loan and the Unpaid Purchase Price, payment of all expenses, commissions, and the establishment of a 12 months’ interest reserve deposit as required under the Term Sheet, the remaining balance of the Replacement Loan will be approximately US\$1.69 million (A\$2.39 million), which will be available as additional working capital for the Eden Group of companies, and which will supplement the capital that is raised under Eden’s current pro-rata, non-renounceable rights issue that closes on Friday 3 June 2022.

The material details of the Replacement Loan are:

- **Lender** – iBorrow, LP -a California-based national financing company
- **Principal Sum of Replacement Loan** – US\$6.075 million (Principal Sum)
- **Term of Replacement Loan** – 12 months, with an option for Eden to extend the Term, subject to certain conditions, for an additional 12 months upon payment of a fee of US\$60,750 (1%)
- **Repayment of Replacement Loan** – the Principal Sum is repayable in full at the end of the Term (12 months), unless Eden, at its election, has previously repaid the Loan in full or has exercised its option and extended the Term for the additional 12 months.
- **Interest Rate** – 9.75% per annum on the aggregate amount of the Principal Sum outstanding from time to time, calculated and payable monthly in arrears.

- **Security** – over the three US freehold properties owned by Eden US, being the two properties in Littleton, Colorado (recently aggregate appraised value of US\$6.15 million), and one property in Augusta, Georgia (recently appraised value of US\$6 million).
- **Early Repayment** – Eden has the right to repay all of the Principal Sum at any time without penalty unless the loan is repaid within the first 6 months in which case Eden will pay an additional amount equal the balance of interest that would have been payable during the first 6 months’ period had the Replacement Loan not been repaid in full.
- **Sale of Augusta Property** – Eden has the right to discharge the Augusta, Georgia property (the recent appraised value of which was US\$6 million) from the security in the event of the Augusta property being sold subject to the greater of 55% of the nett sale proceeds or US\$2,500,000 being paid to Lender in partial repayment of the Principal Sum
- **Origination Fee** – payable to Lender- US\$136,687 (2.25%).
- **Conditions** – the Term Sheet is conditional upon a number of conditions frequently found in US financing agreements including the following:
 - The properties being insured
 - Lender approving the Eden US budget and Eden Australia as the guarantor
 - Eden US entering into a lease of the Colorado properties that is guaranteed by Eden Australia to protect Lender and provide revenue to service the Replacement Loan in the event of default.
- **Available funds** - After paying the 12 months’ interest reserve deposit, all commissions, fees, charges and expenses, and repayment of the Current Loan and the Unpaid Purchase Price, the net balance available to Eden from the Principal Sum from the Replacement Loan, for additional working capital, will be approximately US\$1.69 million.
- **Anticipated Closing Date** – on or before 14 June 2022.
- **Commission** – US\$182,250 (3%) to be paid to EAS Advisors LLC who arranged the Replacement Loan.



Gregory H. Solomon
Executive Chairman

This announcement was authorised by the above signatory.
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