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AUSTRALIAN SECURITIES EXCHANGE ANNOUNCEMENT

15 July 2020

EDEN US ENTERS LONG TERM PRODUCT SUPPLY CONTRACT

Eden Innovations Ltd (Eden) (ASX: EDE) is very pleased to announce that it, and its 100% owned U.S. subsidiary Eden Innovations LLC (“Eden US”), have signed a long term agreement (“the Agreement”) under which Eden US will sell 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 yesterday (see Annexure A).

The material terms of the Agreement are:

1. The term of the Agreement is 8 years (“the Term”).
2. The products to be supplied by Eden US under the Agreement are the EdenCrete® range of products as well as specialty polymers or paints that may be developed and which incorporate carbon nanotubes or carbon nanofibres produced by Eden US (collectively “the Products”), which are to be supplied on commercial terms at Eden US’s suggested retail prices as adjusted from time to time.
3. The minimum value of Products that SPI has agreed to purchase (“Minimum Purchases”) over the 8-year Term is US \$48 million, made up as follows:

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- a. US \$2 million over the first 18 months
- b. US \$2 million in each 6 months from 19-36 months (both inclusive)
- c. US \$4 million in each 6 months from 37-96 months (both inclusive).
4. **SPI has the right to adjust the Minimum Purchases quantities** pursuant to and as restricted by, Facility construction start date risks which are outside of SPI's reasonable and direct control, such as those imposed or caused by, but not limited to, land owners, land owner representatives, investors, financial partners or institutions, unforeseen site conditions, civil commotion, war, fires, floods, accidents, earthquakes, inclement weather, electrical outages, network failures, governmental regulations or controls, casualty, strikes or labour disputes, terrorism, acts of God, epidemic or pandemic. SPI and Eden US have agreed that any such adjustments shall be made in good faith. The right for SPI to adjust the Minimum Purchases, as detailed above, will apply throughout the Term to the construction of each Facility that is proposed to be built. SPI is expected to progressively purchase the EdenCrete® products as required during the construction phase of each Facility.
5. **Failure of SPI to purchase the Minimum Purchases** during the applicable measurement periods specified above shall result in Eden US being relieved of its obligations to make royalty payments (see point 7 below) and Eden US having the right to terminate the Agreement (see point 9 below). There are no other financial penalties should SPI fail to achieve the Minimum Purchases at any time.
6. **During the Term, SPI has agreed not to engage any other party for the purchase by SPI of the Products or any product that is competitive with the Products** for inclusion in the Facilities, provided Eden US is not in material breach of the Agreement.
7. **Provided SPI continues to purchase the Minimum Purchases, Eden will pay to SPI a royalty** at the end of each year of the Term (other than the first year when the payment shall be made after 18 months) calculated at 3% for the first year, 2% for the second and third years, and 1% for the last five years of the net sale proceeds of Products sold by Eden US to a competitor of SPI, where certain conditions are met including:
- a. where the products are for inclusion in the construction of a facility which will fall within the definition of a Facility and is to be built in a country where SPI has already constructed a Facility, and
- b. the competitor's facility incorporates a design for or is for the express purpose of mitigation of the impact of RF interference and/or EMP.
8. **Eden and SPI will each retain ownership of their individual intellectual property** and neither is granted a licence to use the intellectual property of the other.
9. **Either Eden US or SPI may terminate the Agreement at any time in the event of a material breach by the other party** that remains uncured after fifteen (15) calendar days following written notice thereof, provided that if such material breach is not capable of cure the non-breaching party may terminate the Agreement immediately. With the exception of where the Minimum Purchases quantities are adjusted as outlined in point 4 above, Eden US shall also have the right to terminate the Agreement immediately upon SPI's failure to make payment to Eden US for the Minimum Purchases

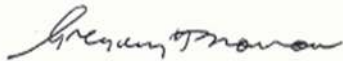
quantities for any two (2) consecutive measurement periods. Upon termination, each party will promptly pay to the other party any amounts then still owing.

10. The Agreement includes a force majeure clause which excuses both Eden US and SPI for a failure or delay in the performance of its respective obligations under the Agreement, if such failure or delay is on account of causes beyond its reasonable control, including acts of God, epidemics or pandemics, for so long as such force majeure event is in effect and for a reasonable period thereafter.

11. The Agreement is subject to the laws of Colorado.

Conclusion

This Agreement, and the announcement of the first project, represent major milestones 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.



Gregory H. Solomon
Executive Chairman

This announcement was authorised by the above signatory.
For further information please contact Aaron Gates on +61 8 9282 5889.

ANNEXURE A



Level5 Data Center Group, LLC to develop hyper-efficient mission critical facility in West Virginia.

Tampa, FL - 14 July 2020 - FOR IMMEDIATE RELEASE - Level5 Data Center Group, LLC (L5DCG), a joint venture partnership between Silent Partner International, Inc. (SPII), PVD Modular, LLC (PVD) and Stellar Armor, Inc. (SAI), announced today that it has entered into formal agreements with its real estate investment partners for the long-term term lease of a 120 acre land parcel located in northern West Virginia for the development and construction of a state-of-the-art and highly secured mission critical facility campus. This facility will specifically align L5DCG's client requirements with the Silent Partner Group of Companies (SPGC) continued deployment of its proprietary Cleanewable-Hybrid™ mission critical facilities platform within the US.

As a fully integrated and standard delivery model, the Cleanewable-Hybrid™ platform will provide L5DCG's clients with Tier IV+ data center features and benefits at Tier III cost effectiveness. Engineering and incorporating enhanced physical security elements into its design, L5DCG's offering also exceeds the US government's Facility Security Level 5 (FSL-V) "build to" standards, making this privately owned and operated facility the foremost mission critical facility campus of its kind. With a highly proven grid independent uninterrupted decarbonized power supply, advanced thermal energy capture and reuse systems, ballistically hardened and electro-magnetic pulse (EMP/HEMP) resistant infrastructure, this campus is setting the new bar for what clients should demand from their providers.

With architecture and site features that are designed to blend with the surroundings, maintaining a necessary balance between industry and nature, it is clear that L5DCG is not only focused on the future of environmentally responsible energy efficiency, but also on environmentally friendly land use. Add this intentional engineering with enhanced and proprietary safekeeping systems contracted through exclusive and long-term agreements with SPGC's partners, such as Eden Innovations LLC, the Cleanewable-Hybrid™ platform helps L5DCG secure its client's information and technology within an eco-focused, highly secured and future-proofed facility.

Further developments to be announced over the coming weeks.