

CBA Waiver, Facility Agreement amendment and Funding update

Friday, 24 December (SYDNEY):

As foreshadowed in the Trading Update (19 November 2021), Energy Action (ASX:EAX) (Company) has been working proactively with the Commonwealth Bank of Australia (**CBA**) to review and manage its compliance obligations under the Company's banking facility (**Facility Agreement**). The CBA has agreed to waive any non-compliance with the Facility Agreement relating to Financial Covenants as at 31 December 21 and up to and including 31 January 2022.

As part of this arrangement with the CBA, the Directors have agreed, subject to documentation, to provide a subordinated and unsecured loan to the Company in the amount of \$1.5 million (**Subordinated Loan**).

The loan will be drawn down in one tranche in January 2022, as follows:

- \$1.0 million to be paid to the CBA for the purposes of reducing the loan principal
- \$0.5 million to be applied for working capital purposes of the Company.

The Subordinated Loan funds of \$1.5 million have been placed into a trust with an external third party until such time as all agreements with the CBA are executed during January 2022.

Further amendments to the Facility Agreement are in progress between the Company and the CBA to facilitate continued and ongoing compliance for the remainder of the term of the agreement.

Amendment of the Facility Agreement, and entry into the Subordinated Loan Agreement and Subordination Deed are all required to be completed by 31 January 2022. Should these documents not be executed by 31 January 2022, an Event of Default under the Facility Agreement will occur and the \$1.5 million held in trust may be returned to the Directors. Further details on these contracts will be provided in January 2022.

This announcement has been approved for release by the Board.

For further information, please contact:

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