

Deleveraging Balance Sheet. Rights Issue and Sub-Debt Conversion.

Tuesday, 16 April 2024 (SYDNEY): Energy Action Limited (ASX: EAX) (**Energy Action** or the **Company**) is pleased to announce a series of upcoming transactions intended to deleverage the Company's balance sheet and allow negotiation with the Commonwealth Bank of Australia (**CBA**) to extend the Company's loan facility.

Summary of Transactions

1. Entitlement Offer

The Company is undertaking a partially underwritten 1 for 6 non-renounceable pro-rata entitlement offer to raise A\$1.004 million (**Entitlement Offer**) for new ordinary shares of Energy Action (**New Shares**). The Entitlement Offer will be conducted at A\$0.20 per New Share (**Offer Price**) and will result in up to 5,018,933 New Shares being issued, representing approximately 16.6% of the Company's existing issued capital.

The Entitlement Offer is non-renounceable, and rights are not transferrable and will not be traded on the ASX or any other exchange. Eligible shareholders who do not take up their entitlement under the Entitlement Offer in full or in part, will not receive any value in respect of those entitlements not taken up.

The Entitlement Offer is partially underwritten by Derek Myers and Webzone Holdings Pty Limited ACN 063 136 041 up to an aggregate underwritten amount of A\$645,875.40, or up to 3,229,377 New Shares.

Two directors of the Company, Murray Bleach and Derek Myers have each indicated their intention to fully take up their entitlements under the Entitlement Offer.

Eligible shareholders with a registered address in Australia, New Zealand, Hong Kong, and the United Kingdom on the Record Date of 7.00pm (Sydney time) on Friday, 19 April 2024 have the opportunity to invest in New Shares at the Offer Price on the terms and conditions outlined in the Entitlement Offer Booklet to be sent to eligible shareholders on or around Wednesday, 24 April 2024. Further details as to eligibility will be set out in the Entitlement Offer Booklet.

Indicative timetable of the Entitlement Offer

The timetable **below** is indicative only and subject to change. Energy Action reserves the right to alter the dates at its full discretion and without prior notice, subject to the ASX Listing Rules and the *Corporations Act 2001* (Cth).

The quotation of New Shares is subject to confirmation from the ASX.

All times **below** are based on Sydney, Australia time.

Event	Date
Announcement of Entitlement Offer	Pre-open on Tuesday, 16 April 2024
Trading on an ex-entitlement basis	Thursday, 18 April 2024
Record Date to determine entitlements under the Entitlement Offer	Friday, 19 April 2024 (7.00pm, Sydney time)
Lodge with ASX and despatch Entitlement Offer Booklet and Entitlement & Acceptance Form to Eligible Shareholders (or letter providing details for accessing Offer Booklet and Entitlement & Acceptance Form online). Entitlement Offer opens	Wednesday, 24 April 2024
Last day for the Company to extend the Entitlement Offer closing date	Wednesday, 1 May 2024 (before noon, Sydney time)
Closing Date for Entitlement Offer	Monday, 6 May 2024 (5.00pm, Sydney time)
Announce results of Entitlement Offer to ASX	Pre-market opening Wednesday, 8 May 2024
Settlement of Entitlement Offer	Friday, 10 May 2024
Issue and allotment of Shares under the Entitlement Offer.	Monday, 13 May 2024
Trading of Shares issued under the Entitlement Offer commences	Tuesday, 14 May 2024
Holding Statements despatched	Wednesday, 15 May 2024

2. Subordinated Debt

Energy Action Director, Derek Myers has provided a subordinated and unsecured loan to the Company for A\$100,000 at an interest rate of 12% per annum, capitalised annually (**Myers Loan**), which was fully advanced to the Company on 12 April 2024. Any amounts owing by the Company under the Myers Loan will be included in the subordinated debt conversion to equity which is discussed in Item 3 **below**.

3. Subordinated Debt Conversion

In addition to the proposed new subordinated debt from Derek Myers, Energy Action currently has subordinated debt from three Directors, Murray Bleach, Paul Meehan, and Bruce Macfarlane.

As part of the transactions Directors, Murray Bleach and Paul Meehan have agreed to extend the term of their subordinated debt to 1 May 2026, which is subject to CBA approval.

Subject to CBA approval and shareholder approval being obtained under ASX Listing Rule 10.11, it is proposed that the subordinated debt (comprising the principal and any outstanding interest) of Derek Myers and Bruce Macfarlane be converted to equity of the Company at a price of A\$0.20 per share (**Debt Conversion Transactions**). The Company intends to hold an Extraordinary General Meeting of its Shareholders to obtain the requisite Shareholder approvals.

Further information about the calling of the Extraordinary General Meeting will be released to the market in due course following the outcome of negotiations with CBA in relation to an extension of the debt owed to CBA by the Company (discussed next at **Item 4**).

4. CBA Debt Extension

Energy Action has provided CBA with a proposal and draft term sheet based on the new Myers Loan and the proposed Debt Conversion Transactions to renegotiate the bank loan facility. The intention is to extend the loan facility's termination date from 31 December 2024 to a later date. This will move the remaining debt from a current liability to a non-current liability.

Transaction Impact

The collective effect of the Entitlement Offer, new Myers Loan and Debt Conversion Transactions is an expected deleverage of the balance sheet by as much as A\$1.7 million with the issue of approximately 8.78 million New Shares (representing approximately 29.10% of the current issued capital of the Company).

As the subordinated debt owing to Derek Myers and Bruce Macfarlane accrues interest, the final conversion date will influence the impact on balance sheet deleveraging and the final number of New Shares issued. The Debt Conversion Transactions and extension to the bank loan facility are currently subject to approval of the CBA and further announcements will be made in due course.

This announcement has been approved for release by the Board of Energy Action.

For further information, please contact:

Bruce Macfarlane
Interim CEO and Director
1300 553 551

Gregory Tamvakellis
Chief Financial Officer
1300 553 551