

9 May 2017

## Energy Mad Limited (MAD) – Agency Arrangement Pending Potential Sale of the Company's Assets

Energy Mad Limited (the **Company**) advises that on 8 May 2017 it entered into an agreement relating to the sale and purchase of assets of the Company (the **Agreement**). Accordingly, the Company makes this announcement pursuant to NZX Main Board Listing Rule 10.1.

The details of the Agreement are as follows:

1. **Parties:** the Company, Energy Mad NZ Limited, Intellectual Property Energy Mad Limited and Energy Mad Build Limited (the **Vendors**), and Ecobulb Limited (the **Purchaser**). The Purchaser is associated with Chris Mardon, a former director and current employee of the Company.
2. **Subject matter:** an initial agency arrangement for orderly sale of the Company's stock by the Purchaser and the potential sale and purchase of assets owned and used by the Vendors' business that are specified in the Agreement (being primarily stock and intellectual property, and excluding cash on hand, trade debtors and rights under any contract of insurance) (the **Assets**) and also the assumption of specific liabilities, being obligations under the agreement between the Company and My Eco Limited and all customer service obligations (the **Assumed Liabilities**). This is only a potential sale of the Assets, and assumption of Assumed Liabilities, because there are conditions to be satisfied and, before any settlement, both parties must agree that they wish to proceed with the sale i.e., reaffirm their commitment to the sale.
3. **Particulars:**
  - a. The Vendors appointed the Purchaser as their exclusive agent to facilitate the sale of Vendor owned inventory, on the terms and conditions set out in the Agreement (the **Agency Arrangement**).
  - b. The Company's employees, Chris Mardon and Alireza Milani, have been offered employment with the Purchaser and are to undertake the Agency Arrangements for the Purchaser.
  - c. The Agency Arrangement is to last for a minimum of three months from the date of the Agreement. After this, either party can request settlement of the sale of the Assets and assumption of the Assumed Liabilities (**Settlement**) to take place within 30 days. If the parties cannot agree on a new settlement date, the Agency Arrangement will terminate at the end of that 30 day period, and settlement will be cancelled i.e., the asset sale will not proceed. Accordingly, the sale is dependent on both parties agreeing to proceed with it in the future.

- d. The current proposed settlement date is 15 November 2017 (or earlier if agreed between the parties) (the **Settlement Date**).
4. **Consideration:**
- a. On the Settlement Date, the Purchaser will pay the “Purchase Price” (plus GST) in cash and in full to the Vendors.
- b. The “Purchase Price” is defined in the Agreement to be:
- all amounts due or paid by the Vendors for work on the “HELM” project prior to Settlement, as notified to the Purchaser by the Vendors in writing on the business day prior to the Settlement Date; and
  - the delivered into store cost of the remaining core stock at the Settlement Date, including the purchase price from the manufacturer and the cost incurred to get that remaining core stock from China into store in Melbourne.
5. **Material conditions**
- a. Settlement is conditional upon (in addition to the parties agreeing to proceed with Settlement):
- the Company obtaining shareholder approval; and
  - any and all payments due in respect of the Assumed Liabilities assumed by the Purchaser being secured by a General Security Agreement in respect of all stock held as a result of completing the Agreement until all such Assumed Liabilities have been met.
- b. These conditions must be fulfilled, or waived by both parties, by the Settlement Date (or such later date as the parties agree).

Ends

For more information, contact Brent Wheeler, Chairman, 021 834 279.

Brent Wheeler  
Chair