

Energy Action Limited

ACN 137 363 636

Entitlement Offer

Details of a partially underwritten 1 for 6 non-renounceable pro-rata entitlement offer of new ordinary shares in Energy Action Limited at an offer price of A\$0.20 per new share.

This offer closes at 5.00pm (AEST) on **Monday, 6 May 2024**.

This is an important document which is accompanied by an Entitlement Form. Both documents should be read in their entirety.

This document is not a prospectus and does not contain all of the information that an investor may require in order to make an informed investment decision regarding the shares offered under this document.

For any enquiries, please call Link Market Services Limited as Share Registry on +61 1300 554 474 (toll free within Australia) or contact your stockbroker, accountant or other professional adviser.

Important Notice

This Entitlement Offer Booklet, including the Chairman's letter, ASX Offer Announcement and the Entitlement Form, do not constitute an offer in any jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer. In particular, this Entitlement Offer Booklet and anything contained in it does not constitute an offer to sell, or the solicitation of an offer to buy, any securities in the United States. None of this Entitlement Offer Booklet, the Chairman's letter, the ASX Offer Announcement nor the Entitlement Form may be distributed to or released in the United States. Neither the Entitlements nor the New Shares (as defined below) offered in the Entitlement Offer have been, or will be, registered under the U.S. Securities Act of 1933 (the "**Securities Act**") or the securities laws of any state or other jurisdiction of the United States. The Entitlements may only be offered and taken up by, and the New Shares may not be offered, sold, or resold to, persons in the United States, except in transactions exempt from, or not subject to, the registration requirements of the U.S. Securities Act and any applicable securities laws of any state or other jurisdiction of the United States.

Forward looking statements, opinions and estimates provided in this Entitlement Offer Booklet are based on assumptions and contingencies which are subject to change without notice, as are statements about market and industry trends, which are based on the interpretations of current market conditions. Forward looking statements including projections, guidance on future revenues, earnings and estimates are provided as a general guide only and should not be relied upon as an indication or guarantee of future performance.

You acknowledge and agree that determination of eligibility of investors for the purposes of the Entitlement Offer is determined by reference to a number of matters, including legal and regulatory requirements, logistical and registry constraints and the discretion of Energy Action and/or the Underwriters, and each of Energy Action and the Underwriters and their respective related bodies corporate, affiliates officers, employees, agents and advisers disclaim any duty or liability (including for negligence) in respect of that determination and the exercise of that discretion to the maximum extent permitted by law.

The information in this Entitlement Offer Booklet remains subject to change without notice.

Summary of the Entitlement Offer

Issue price	\$0.20 per new ordinary share (New Share)
Your entitlement	1 New Share for every 6 existing shares held on the Record Date (Existing Shares)
Maximum number of New Shares to be issued under Entitlement Offer	5,018,933 New Shares
Maximum amount to be raised under Entitlement Offer	\$1.004 million (approximately)
Underwritten amount	Up to \$645,875.40. ¹
Underwritten Shares	Up to 3,229,377 Shares

Key Dates

Announcement of the Entitlement Offer with ASX	Tuesday, 16 April 2024
Lodgement of Appendix 3B and Cleansing Notice	
“Ex” Date (i.e., the date from which shares trade on ASX without an Entitlement)	Thursday, 18 April 2024
Record Date for eligibility in the Entitlement Offer	7.00 pm on Friday, 19 April 2024
Entitlement Offer opens	Wednesday, 24 April 2024
Mailing of Entitlement Offer Booklet and Entitlement and Acceptance Form to Eligible Shareholders	
Entitlement Offer closes	5.00 pm on Monday, 6 May 2024
Announce results of Entitlement Offer	8 May 2024
Settlement of Entitlement Offer	10 May 2024
Issue of and allotment New Shares under the Entitlement Offer	Monday, 13 May 2024
Quotation and normal trading on ASX of New Shares issued under the Entitlement Offer	Tuesday, 14 May 2024

*Dates and times are indicative only and subject to change. The Company, with the prior written consent of the Underwriters, reserves the rights to amend any or all of these dates subject to the *Corporations Act 2001* (Cth) (**Corporations Act**), the ASX Listing Rules and other applicable laws. Any extension of the closing date may have a consequential effect on the issue date of New Shares. All times refer to **Australian Eastern Standard Time (AEST)**. The commencement of quotation of New Shares is subject to confirmation from ASX.

Energy Action, with the prior written consent of the Underwriters, reserves the right to extend or vary these dates without prior notice subject to the Corporations Act, ASX Listing Rules and other applicable laws.

Enquiries

For any enquiries, please call Link Market Services Limited as Share Registry on +61 1300 554 474 (toll free within Australia) or contact your stockbroker, accountant or other professional adviser.

¹ Representing 3,229,377 New Shares, or 64.3% of the maximum number of New Shares to be issued under Entitlement Offer.

24 April 2024

Dear Shareholder

On behalf of Energy Action Limited (**Energy Action** or **Company**), I am pleased to invite you to participate in the recently announced 1 for 6 non-renounceable pro-rata entitlement offer for new Energy Action ordinary shares (**New Shares**) at an issue price of \$0.20 per New Share (**Entitlement Offer**).

On 16 April 2024, Energy Action announced its intention to raise approximately \$1.004 million through a partially underwritten Entitlement Offer.

The net proceeds of the Entitlement Offer are intended to be used to make additional repayments of senior debt of the Company owing to Commonwealth Bank of Australia Limited. More detail is provided in this Entitlement Offer Booklet.

Under the Entitlement Offer, eligible shareholders in Australia, New Zealand, Hong Kong and the United Kingdom have the opportunity to subscribe for 1 New Share for every 6 ordinary shares in Energy Action held at 7.00 pm (AEST) on Friday, 19 April 2024 (**Entitlement**) at the price of \$0.20 per New Share.

The Entitlement Offer is non-renounceable and the Entitlements will not be tradeable on the ASX or otherwise transferable. Shareholders who do not take up their Entitlement in full will not receive any value in respect of those Entitlements they do not take up. I encourage you to consider this offer carefully.

The Directors reserve the right to place any shortfall to institutional, sophisticated or professional investors subject to any restrictions under the Listing Rules or the Corporations Act.

The Entitlement Offer is partially underwritten. The Underwriters have agreed to underwrite a total amount of \$645,875.40, provided that no Underwriter will subscribe for New Shares to the extent that it could result in that Underwriter's voting power in the Company increasing to, or above, 20%.

Other Information

This Entitlement Offer Booklet contains important information, including:

- instructions on how to apply, detailing how to participate in the Entitlement Offer if you choose to do so, and a timetable of key dates; and
- instructions on how to take up all or part of your Entitlement.

The Entitlement Offer Booklet, including the timetable and key dates of the Entitlement Offer, and an electronic copy of your personalised Entitlement and Acceptance Form can be accessed at: <https://events.miraqle.com/EAX-offer>. To access the online system, you will need to provide your Securityholder Reference Number (SRN) or Holder Identification Number (HIN) and postcode. The Entitlement Offer closes at 5:00 pm (AEST) on 6 May 2024 (unless extended).

Please read in full the details on how to submit your application, which are set out in this Entitlement Offer Booklet.

You should also consult your stockbroker, solicitor, accountant or other professional adviser to evaluate whether or not to participate in the Entitlement Offer.

On behalf of the Board of Energy Action, I encourage you to consider this investment opportunity and thank you for your ongoing support.

Yours sincerely



Mr Murray Bleach
Chairperson

1. THE ENTITLEMENT OFFER

Eligible Shareholders (as defined in Important Information (see Section 3 below)) are being offered the opportunity to subscribe for 1 New Share for every 6 ordinary shares in Energy Action held at 7.00pm (AEST) on Friday, 19 April 2024 (**Record Date**) (**Entitlement**), at the issue price of \$0.20 per New Share.

By way of example, if your shareholding as at the Record Date is 360 Shares, then your Entitlement to subscribe for New Shares under the Entitlement Offer is 60 New Shares. Accordingly, in this example if you take up your full Entitlement, you could apply for up to 60 New Shares.

The Entitlement Offer is being conducted by the Company in accordance with section 708AA of the *Corporations Act 2001* (Cth) (**Corporations Act**) as notionally modified by *ASIC Corporations (Non-Traditional Rights Issues) Instrument 2016/84* without the issue of a prospectus or disclosure document under Chapter 6D of the Corporations Act. Accordingly, this Offer Booklet is not a prospectus, disclosure document, or other offering document under the Corporations Act (or any other Australian or foreign law) and has not been (and will not be) lodged with the Australian Securities and Investments Commission.

As a result, it is important for Eligible Shareholders to read and understand the information on Energy Action and the Entitlement Offer made publicly available, prior to accepting all or part of their Entitlement. In particular, please refer to this Entitlement Offer Booklet, and the Company's other periodic and continuous disclosure announcements to the ASX available at www.asx.com.au.

Your Entitlement is set out on your personalised Entitlement Form and has been calculated as 1 New Share for every 6 Existing Shares you held as at the Record Date rounded up to the nearest whole New Share. If you have more than one holding of Existing Shares, you will be sent more than one personalised Entitlement Form and you will have separate Entitlements for each separate holding. New Shares issued pursuant to the Entitlement Offer will be fully paid and rank equally with existing Energy Action ordinary shares on issue.

Note: the Entitlement stated on your personalised Entitlement Form may be in excess of the actual Entitlement you may be permitted to take up where, for example, you are holding Existing Shares on behalf of a person in the United States.

Nominees and custodians

The Entitlement Offer is being made to all shareholders on the share register of Energy Action at 7.00 pm (AEST) on Friday, 19 April 2024 with an address in Australia, New Zealand, Hong Kong and the United Kingdom, and are not acting for the account or benefit of a person in the United States. Energy Action is not required to determine whether or not any registered holder is acting as a nominee or custodian or the identity or residence of any beneficial owners of Existing Shares. Where any holder is acting as a nominee or custodian for a foreign person, that holder, in dealing with its beneficiary, will need to assess whether indirect participation by the beneficiary in the Entitlement Offer is compatible with applicable foreign laws. Any person in the United States or any person that is or is acting for the account or benefit of a person in the United States with a holding through a nominee or custodian may not participate in the Entitlement Offer and the nominee or custodian must not take up any Entitlement or send any materials into the United States. Energy Action is not able to advise on foreign laws.

2. HOW TO APPLY

If you wish to take up all or part of your entitlement, you must make payment by BPAY®.

Payment by BPAY®

To pay by BPAY®, please follow the instructions on your personalised Entitlement Form. You can only make a payment via BPAY® if you are the holder of an account with an Australian financial institution that supports BPAY® transactions.

Please note that when paying by BPAY®:

- you are taken to have made the declarations on that Entitlement Form;
- if you do not pay for your full Entitlement, you are deemed to have taken up your Entitlement in respect of such whole number of New Shares which is covered in full by your application monies.

It is your responsibility to ensure that your BPAY® payment is received by the Share Registry by no later than **5.00pm** (AEST) on **Monday, 6 May 2024**. You should be aware that your financial institution may implement earlier cut-off times with regards to electronic payment and you should therefore take this into consideration when making payment.

When paying by BPAY®, please make sure to use the specific Biller Code and unique Customer Reference Number on your personalised Entitlement Form.

The Entitlement Offer Booklet, including the timetable and key dates of the Entitlement Offer, and an electronic copy of your personalised Entitlement and Acceptance Form can be accessed at: <https://events.miraqle.com/EAX-offer>. To access the online system, you will need to provide your Securityholder Reference Number (SRN) or Holder Identification Number (HIN) and postcode. The Entitlement Offer closes at 5:00 pm (AEST) on 6 May 2024 (unless extended).

Representations, allotment and refunds

If you take no action, you will not be allocated New Shares and your Entitlement will lapse. Your Entitlement to participate in the Entitlement Offer is non-renounceable and will not be tradeable or otherwise transferable. Shareholders who do not take up their Entitlements in full will not receive any payment or value for those Entitlements they do not take up.

If you do not accept all or part of your Entitlement in accordance with the instructions set out in this Entitlement Offer Booklet, some of those New Shares that you would have otherwise been entitled to under the Entitlement Offer (including New Shares that relate to the portion of your Entitlement that has not been accepted) will be acquired by the Underwriter.

By allowing your Entitlement to lapse, you will forgo any exposure to increases or decreases in the value of the New Shares had you taken up your Entitlement and you will not receive any value for your Entitlement. Your proportionate interest in Energy Action will also be diluted.

By making a payment by BPAY®, you will be deemed to:

(a) represent and warrant that you are an Eligible Shareholder (as defined in Important Information (see Section 3 below));

(b) represent and warrant on your behalf and on behalf of each person on whose account or benefit you are acting that: (i) you are not in the United States and are not acting for the account or benefit of a person in the United States; (ii) you understand and acknowledge that neither the Entitlements nor the New Shares have been, or will be, registered under the Securities Act or the

securities laws of any state or other jurisdiction in the United States, or in any other jurisdiction outside Australia, New Zealand, Hong Kong and Singapore, and accordingly, the Entitlements may not be offered or taken up by, and the New Shares may not be offered, sold or otherwise transferred except in accordance with an available exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and any other applicable securities laws; (iii) you understand and acknowledge that the Entitlements and the New Shares may only be offered, sold and resold outside the United States in “offshore transactions” (as defined in Rule 902(h) under the Securities Act) in reliance on Regulation S under the Securities Act; (iv) you are taking up your Entitlement and purchasing New Shares outside the United States in “offshore transactions” (as defined in Rule 902(h) under the Securities Act) in reliance on Regulation S under the Securities Act; (v) you acknowledge that if you decide to sell or otherwise transfer the New Shares you will only do so in standard (regular way) brokered transactions on the ASX where neither you nor any person acting on your behalf knows, or has reason to know, that the sale has been pre-arranged with, or that the purchaser is, a person in the United States; and (vi) you have not and will not send any materials relating to the Entitlement Offer to any person in the United States;

(c) acknowledge that, if you are acting as a nominee or custodian, each beneficial holder on whose behalf you are accepting the Entitlement Offer is not in the United States and is not acting for the account or benefit of any person in the United States;

(d) acknowledge that you have read and understand this Entitlement Offer Booklet and your personalised Entitlement Form in their entirety;

(e) acknowledge that this Entitlement Offer Booklet is not a prospectus, does not contain all of the information that you may require in order to assess an investment in Energy Action and is given in the context of the Company’s past and ongoing continuous disclosure announcements to ASX;

(f) acknowledge the statement of risks in the “Risks” section of this Entitlement Offer Booklet, and that investments in Energy Action are subject to risk;

(g) acknowledge that none of Energy Action, the Underwriters, or their respective related bodies corporate and affiliates and their respective directors, officers, partners, employees, representatives, agents, consultants or advisers, guarantees the performance of Energy Action, nor do they guarantee the repayment of capital;

(h) acknowledge and agree that determination of eligibility of investors for the purposes of the Entitlement Offer was determined by reference to a number of matters, including legal and regulatory requirements, logistical and registry constraints and the discretion of Energy Action and/or the Underwriters, and each of Energy Action and the Underwriters and their respective related bodies corporate and affiliates disclaim any duty or liability (including for negligence) in respect of that determination and the exercise of that discretion to the maximum extent permitted by law;

(i) represent and warrant (for the benefit of Energy Action, the Underwriters and their respective related bodies corporate and affiliates) that you are not an ineligible shareholder and are otherwise eligible to participate in the Entitlement Offer;

(j) represent and warrant that the law of any place does not prohibit you from being given this Entitlement Offer Booklet and the personalised Entitlement Form, nor does it prohibit you from making an application for New Shares and that you are otherwise eligible to participate in the Entitlement Offer; and

(k) authorise Energy Action, the Underwriters, the Share Registry and their respective officers or agents to do anything on your behalf necessary for New Shares to be issued to you, including to act on instructions of the Share Registry upon using the contact details set out in your personalised Entitlement Form.

If you take up and pay for all or part of your Entitlement before the close of the Entitlement Offer at 5.00pm (AEST) on 6 May 2024, you will be allotted your New Shares on Monday, 13 May 2024. Energy Action also reserves the right (in its absolute discretion) to reduce the number of New Shares allocated to Eligible Shareholders, or persons claiming to be Eligible Shareholders, if their claims prove to be overstated or otherwise incorrect or if they fail to provide information to substantiate their claims.

Cash payments will not be accepted. Receipts for payment will not be issued.

Any application monies received for more than your final allocation of New Shares will be refunded to you as soon as practicable after the close of the Entitlement Offer. No interest will be paid to applicants on any application monies received or refunded.

Refund amounts, if any, will be paid by:

- electronic transfer to the bank account provided by you to the Share Registry (if any); or
- if the Share Registry does not hold your bank account details, by cheque sent by ordinary post to your address as recorded on the share register.

Applicants with queries on how to make payment by BPAY® should contact Link Market Services Limited as Share Registry on +61 1300 554 474 (toll free within Australia).

3. IMPORTANT INFORMATION

This Entitlement Offer Booklet (including the Chairman's letter) and a personalised Entitlement Form has been prepared by Energy Action. The information in this Entitlement Offer Booklet is dated 24 April 2024.

This Entitlement Offer Booklet should be read in conjunction with Energy Action's other periodic and continuous disclosure announcements to the ASX available at www.asx.com.au.

No party other than Energy Action has authorised or caused the issue of the information in this Entitlement Offer Booklet, or takes any responsibility for, or makes, any statements, representations or undertakings in this Entitlement Offer Booklet.

This information is important and requires your immediate attention.

You should read the information in this Entitlement Offer Booklet carefully and in its entirety before deciding whether to invest in New Shares. In particular, you should consider the risk factors outlined in "Risk Factors" section of this Entitlement Offer Booklet (see Section 3.6), any of which could affect the operating and financial performance of Energy Action or the value of an investment in Energy Action.

You should consult your stockbroker, accountant, solicitor or other independent professional adviser to evaluate whether or not to participate in the Entitlement Offer.

The Company, the Underwriters and their advisers will have no responsibility and disclaim all liability (to the maximum extent permitted by law) to persons who trade New Shares before the New Shares are quoted on the official list of ASX or receiving their confirmation of issue, whether on the basis of confirmation of the allocation provided by the Company, the Share Registry or the Underwriters.

3.1 Underwriting

The Company has entered into underwriting agreements (**Underwriting Agreements**) with the following underwriters (**Underwriters**) who have agreed to partially underwrite the Entitlement Offer as follows:

Underwriter	Underwritten Amount	Underwritten Shares
Derek Myers	Up to \$300,000	Up to 1,500,000
Webzone Holdings Pty Ltd	Up to \$345,875.40	Up to 1,729,377
Total	Up to \$645,875.40	Up to 3,229,377

The Underwriting Agreements are on the same terms, other than with respect to the Underwritten Amount and the number of the Underwritten Shares. Subject to the terms of the Underwriting Agreement, the Underwriters will lodge, or cause to be lodged with the Company, Applications for any New Shares not subscribed for by Eligible Shareholders up to the Underwritten Amount.

The obligations of the Underwriters under the Underwriting Agreement to partially underwrite the Entitlement Offer are conditional on certain customary matters with no fees payable to the Underwriters.

The Underwriting Agreement may be terminated:

- by the Company;
- in the event that the Entitlement Offer withdrawn by the Company.

The Directors reserve the right to place any Shortfall to institutional, sophisticated or professional investors subject to any restrictions under the Listing Rules or the Corporations Act.

The table below shows the current individual shareholding, relevant interest and voting power of the Underwriters, and provides a range of shareholdings that they may have in the Company after the Entitlement Offer. These ranges are based on the following options, namely, where the Entitlement Offer is:

- fully subscribed, resulting in the Company having total issued capital post- Entitlement Offer of 35,132,533 Shares; and
- fully unsubscribed (100% underwritten, being 63.4% of the New Shares under the Entitlement Offer), resulting in the Company having total issued capital post- Entitlement Offer of 33,342,977 Shares.

Underwriter	Existing Shareholding	Shareholding post-Entitlement Offer	Entitlement Offer fully subscribed	Fully Unsubscribed Entitlement Offer – 100% underwritten
Derek Myers	3,299,746 (10.95%)	3,849,704	3,849,704 (10.95%)	5,349,704 (16.04%)

Underwriter	Existing Shareholding	Shareholding post-Entitlement Offer	Entitlement Offer fully subscribed	Fully Unsubscribed Entitlement Offer – 100% underwritten
Webzone Holdings Pty Ltd	1,384,434 (4.65%)	1,634,254	1,634,254 (4.65%)	3,363,631 (10.08%)

3.2 Eligible Shareholders

The Entitlement Offer in this Entitlement Offer Booklet contains an offer of New Shares to Eligible Shareholders in Australia, New Zealand, Hong Kong and the United Kingdom, and has been prepared in accordance with section 708AA of the Corporations Act (as modified by *ASIC Corporations (Non-Traditional Rights Issues) Instrument 2016/84*).

Eligible Shareholders are those holders of Existing Shares who:

- are registered as holders of Existing Shares as at 7.00pm on **Friday, 19 April 2024**;
- have a registered address on the Energy Action share register in Australia, New Zealand, Hong Kong or the United Kingdom at that date;
- are not in the United States and are not acting for the account or benefit of a person in the United States;
- are eligible under all applicable securities laws to receive an offer under the Entitlement Offer.

Shareholders who do not satisfy the above criteria are **ineligible shareholders**.

3.3 Effect of the Entitlement Offer

The potential effect that the Entitlement Offer will have on the control of Energy Action and the consequences of that effect, will depend on a number of factors, including investor demand and the extent to which eligible shareholders take up their entitlements. If all Entitlements under the Entitlement Offer are not accepted to the full extent, then the shareholding interest of non-participating shareholders will be diluted.

Given the structure of the Entitlement Offer and the current level of substantial holdings (based on substantial holding notices that have been lodged on or prior to the date of this notice), the Entitlement Offer is not expected to have a material consequence on the control of the Company.

3.4 Continuous disclosure

Energy Action is a disclosing entity for the purposes of the Corporations Act. As such, it is subject to regular reporting and disclosure obligations including an obligation under the ASX Listing Rules (subject to certain exceptions) to disclose to ASX any information of which it is or becomes aware concerning Energy Action and which a reasonable person would expect to have a material effect on the price or the value of shares. Energy Action is also required to prepare and lodge yearly and half yearly financial statements accompanied by a directors' statement and report and an audit review or report. All such disclosures are available at www.asx.com.au. You have the opportunity to access any information about Energy Action which has previously been disclosed to ASX. In particular, please refer to the Company's Annual Report for the year ended 31 June 2023. You should also have regard to any further announcements which may be made by Energy Action to ASX after the date of this Entitlement Offer Booklet.

3.5 Risks

You should be aware that there are risks associated with an investment in Energy Action. Some of the principal factors which may, either individually or in combination, affect the future operating performance of Energy Action are set out below. Some are specific to an investment in Energy Action and the New Shares, whilst others are of a more general nature.

The summary of risks below is not exhaustive and does not take into account your personal circumstances, financial position or investment requirements. Additional risks and uncertainties that Energy Action is unaware of or that it currently considers to be immaterial, may also become important factors that adversely affect the future performance of Energy Action, or the New Shares.

It is important for you, before taking up the Entitlement Offer, to read and understand the entire Entitlement Offer Booklet and to carefully consider these risks and uncertainties. You should have regard to your own investment objectives and financial circumstances and should seek professional guidance from your stockbroker, solicitor, accountant or other professional adviser before deciding whether or not to invest.

(a) **Risks associated with Energy Action**

The future operating performance of Energy Action and the value of the investment in the New Shares may be affected by risks relating to Energy Action's business. Some of these risks are specific to Energy Action while others relate to the general industry in which Energy Action operates and economic conditions. Where practicable, Energy Action seeks to implement risk mitigation strategies to minimise the exposure to some of the risks outlined, although there can be no assurance that such arrangements will fully protect Energy Action from such risks. Failure to effectively mitigate these risks could result in a reduction in Energy Action's profits and deterioration in Energy Action's financial position.

(b) **Economic risks and market conditions**

General economic conditions, movements in interest and inflation rates, the prevailing global commodity prices and currency exchange rates may have an adverse effect on Energy Action's activities.

The market price of Energy Action's securities can fall as well as rise and may be subject to varied and unpredictable influences on the market for equities in general. Further, share market conditions may affect the value of Energy Action's quoted securities regardless of Energy Action's operating performance. Share market conditions are affected by many factors, such as:

- (i) general economic outlook;
- (ii) interest rates and inflation rates;
- (iii) currency fluctuations;
- (iv) changes in investor sentiment;
- (v) the demand for, and supply of, capital; and
- (vi) terrorism or other hostilities.

Neither Energy Action nor the Directors warrant the future performance of the Company or any return on an investment in the Company.

(c) **Risk of dividends not being paid**

The payment of dividends by Energy Action is announced at the time of release of Energy Action's half year and full year results as determined by the Board from time to time at its discretion, dependent on the profitability and cash flow of Energy Action's business. While Energy Action has a stated dividend policy, circumstances may arise where Energy Action is required to reduce or cease paying dividends for a period of time.

(d) **Refinancing**

Energy Action's existing debt tranches will need to be refinanced on their respective maturity dates. Energy Action may incur increased borrowing costs, or may even be unable to refinance with new debt if its credit profile has deteriorated materially, or if there are reductions in debt market liquidity at or around the time that Energy Action needs to refinance its various debt tranches. Whether this occurs will depend on numerous factors, some of which are outside Energy Action's control, such as the prevailing economic, political and capital market conditions and credit availability.

(e) **Government, legal risk and litigation risk**

Changes in government, monetary policies, taxation and other laws can have a significant impact on the Energy Action's assets, operations and ultimately the financial performance of the Energy Action and its Shares. Energy Action is not aware of any reviews or changes that would affect the price of its Shares. However, changes in community attitudes on matters such as taxation, competition policy and environmental issues may bring about reviews and possibly changes in government policies.

Energy Action may be involved in disputes with other parties in the future which may result in litigation. Any such claim or dispute if proven, may impact adversely on Energy Action's operations, financial performance and financial position. Energy Action is currently not engaged in any litigation.

(f) **Insurance risks**

Energy Action intends to insure its operations in accordance with industry practice. However, in certain circumstances, Energy Action's insurance may not be of a nature or level to provide adequate insurance cover. The occurrence of an event that is not covered or fully covered by insurance could have a material adverse effect on the business, financial condition and results of the Energy Action.

(g) **Unforeseen expenditure risk**

Energy Action may be subject to significant unforeseen expenses or actions, which may include unplanned operating expenses, future legal actions or expenses in relation to future unforeseen events. The Directors expect that Energy Action will have adequate working capital

to carry out its stated objectives however there is the risk that additional funds may be required to fund Energy Action's future objectives.

(h) **Climate change risks**

Climate change risks particularly attributable to Energy Action include:

- (i) the emergence of new or expanded regulations associated with the transitioning to a lower-carbon economy and market changes related to climate change mitigation. Energy Action may be impacted by changes to local or international compliance regulations related to climate change mitigation efforts, or by specific taxation or penalties for carbon emissions or environmental damage. These examples sit amongst an array of possible restraints on industry that may further impact Energy Action and its profitability. While Energy Action will endeavour to manage these risks and limit any consequential impacts, there can be no guarantee that Energy Action will not be impacted by these occurrences; and
- (ii) climate change may cause certain physical and environmental risks that cannot be predicted by Energy Action, including events such as increased severity of weather patterns and incidence of extreme weather events and longer term physical risks such as shifting climate patterns. All these risks associated with climate change may significantly change the industry in which Energy Action operates.

(i) **Information technology**

Energy Action is exposed to the risk of financial loss if its information technology strategy, infrastructure, applications, service and support do not deliver adequately and in accordance with expectations.

3.6 No Entitlements trading

Entitlements are non-renounceable and will not be tradeable on the ASX or otherwise transferable.

3.7 Notice to nominees and custodians

Nominees and custodians which hold Shares as nominees or custodians will have received, or will shortly receive, a letter in respect of the Entitlement Offer. Nominees and custodians should carefully consider the contents of that letter.

3.8 Taxation

You should be aware that there may be taxation implications associated with participating in the Entitlement Offer and receiving New Shares.

Energy Action does not consider it appropriate to give shareholders advice regarding the taxation consequences of subscribing for New Shares under the Entitlement Offer. Energy Action, its advisers and its officers do not accept any responsibility or liability for any such taxation consequences to shareholders.

Shareholders should consult their professional tax adviser in connection with subscribing for New Shares under this Entitlement Offer Booklet.

3.9 Rounding of Entitlements

Where fractions arise in the calculation of Entitlements, they will be rounded up to the nearest whole number of New Shares.

3.10 Ranking of New Shares

The New Shares will be issued on a fully paid basis and will rank equally in all respects with Existing Shares. The rights and liabilities attaching to the New Shares are set out in Energy Action's constitution.

3.11 Future performance and forward-looking statements

Neither Energy Action nor any other person warrants or guarantees the future performance of the New Shares or any return on any investment made pursuant to the Entitlement Offer. This Entitlement Offer Booklet contains certain "forward-looking statements". Forward-looking words such as, "expect", "should", "could", "may", "predict", "plan", "will", "believe", "forecast", "estimate", "target" and other similar expressions are intended to identify forward-looking statements within the meaning of securities laws of applicable jurisdictions. Indications of, and guidance on, future earnings and financial position and performance are also forward-looking statements. Forward-looking statements, opinions and estimates provided in this Entitlement Offer Booklet, including statements about Energy Action's expectations about the performance of its businesses, are based on assumptions and contingencies which are subject to change without notice, as are statements about market and industry trends, which are based on interpretations of current market conditions.

Forward-looking statements including forecasts, projections, guidance on future earnings and estimates are provided as a general guide only and should not be relied upon as an indication or guarantee of future performance. Such forward-looking statements only speak as to the date of this Entitlement Offer Booklet and Energy Action assumes no obligation to update such information. They are subject to known and unknown risks, uncertainties and assumptions, many of which are outside the control of Energy Action and its Directors, which could cause actual results, performance or achievements to differ materially from future results, performance or achievements expressed or implied by any forward-looking statements in this Entitlement Offer Booklet.

You should also refer to the "Risk Factors" section of this Entitlement Offer Booklet.

3.12 Past performance

Investors should note that the past share price performance of Energy Action's shares provides no guidance as to future share price performance. For further information, please see past announcements released to the ASX.

3.13 No cooling off rights

Cooling off rights do not apply to an investment in New Shares. You cannot withdraw your application once it has been accepted.

3.14 Not investment or financial product advice

This Entitlement Offer Booklet is not a prospectus under the Corporations Act and has not been lodged with the Australian Securities and Investments Commission. It does not contain all of the information that an investor would find in a prospectus or which may be required in order to make an informed investment decision regarding, or about the rights attaching to, the New Shares

offered in the booklet. The Entitlement Offer Booklet has been prepared in accordance with section 708AA of the Corporations Act as modified by *ASIC Corporations (Non-Traditional Rights Issues) Instrument 2016/84*. In general terms, section 708AA permits certain companies to undertake pro-rata rights issues without being required to use or provide shareholders a prospectus or other disclosure document. Accordingly, the level of disclosure in this booklet is significantly less than the level of disclosure required in a prospectus. Eligible Shareholders should rely on their knowledge of the Company, refer to disclosures made by the Company to ASX and consult their professional advisers before deciding to apply under the Entitlement Offer.

The Entitlement Offer Booklet is also not financial product advice or investment advice nor a recommendation to acquire New Shares. It has been prepared without taking into account your investment objectives, financial circumstances or particular needs. Energy Action is not licensed to provide financial product advice in respect of the New Shares.

The Entitlement Offer Booklet does not purport to contain all the information that you may require to evaluate a possible application for New Shares.

Before deciding whether to apply for New Shares, you should consider whether they are a suitable investment for you in light of your own investment objectives and financial circumstances and having regard to the merits or risks involved. If, after reading the Information, you have any questions about the Entitlement Offer, you should contact your stockbroker, accountant, solicitor or other independent professional adviser.

3.15 Foreign jurisdictions

This document does not constitute an offer of New Shares in any jurisdiction in which it would be unlawful. In particular, this document may not be distributed to any person, and the New Shares may not be offered or sold, in any country outside Australia except to the extent permitted below.

Hong Kong

WARNING: This document may be distributed in Hong Kong only to (i) not more than 50 existing shareholders of the Company and (ii) any other shareholder who is a “professional investor” (as defined in the *Securities and Futures Ordinance of Hong Kong, Chapter 571 of the Laws of Hong Kong*). This document may not be distributed, published, reproduced or disclosed (in whole or in part) to any other person in Hong Kong or used for any purpose in Hong Kong other than in connection with the recipient’s consideration of the Offer.

You are advised to exercise caution in relation to the Offer. If you are in doubt about any contents of this document, you should obtain independent professional advice.

This document has not been reviewed by any Hong Kong regulatory authority. In particular, this document has not been, and will not be, registered as a prospectus under the *Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of the Laws of Hong Kong*, nor has it been authorised by the Securities and Futures Commission in Hong Kong.

New Zealand

The New Shares are not being offered to the public within New Zealand other than to existing shareholders of the Company with registered addresses in New Zealand to whom the offer of these securities is being made in reliance on the Financial Markets Conduct (Incidental Offers) Exemption Notice 2021.

This document has been prepared in compliance with Australian law and has not been registered, filed with or approved by any New Zealand regulatory authority under the *Financial Markets Conduct Act 2013*. This document is not a product disclosure statement under New Zealand law and is not required to, and may not, contain all the information that a product disclosure statement under New Zealand law is required to contain.

United Kingdom

Neither this document nor any other document relating to the offer of New Shares has been delivered for approval to the Financial Conduct Authority in the United Kingdom and no prospectus (within the meaning of section 85 of the *Financial Services and Markets Act 2000*, as amended (**FSMA**)) has been published or is intended to be published in respect of the New Shares.

The New Shares may not be offered or sold in the United Kingdom by means of this document or any other document, except in circumstances that do not require the publication of a prospectus under section 86(1) of the FSMA. This document is issued on a confidential basis in the United Kingdom to fewer than 150 persons who are existing shareholders of the Company. This document may not be distributed or reproduced, in whole or in part, nor may its contents be disclosed by recipients, to any other person in the United Kingdom.

Any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received in connection with the issue or sale of the New Shares has only been communicated or caused to be communicated and will only be communicated or caused to be communicated in the United Kingdom in circumstances in which section 21(1) of the FSMA does not apply to the Company.

In the United Kingdom, this document is being distributed only to, and is directed at, persons (i) who have professional experience in matters relating to investments falling within Article 19(5) (investment professionals) of the *Financial Services and Markets Act 2000 (Financial Promotions) Order 2005 (FPO)*, (ii) who fall within the categories of persons referred to in Article 49(2)(a) to (d) (high net worth companies, unincorporated associations, etc.) of the FPO or (iii) to whom it may otherwise be lawfully communicated (together **relevant persons**). The investment to which this document relates is available only to relevant persons. Any person who is not a relevant person should not act or rely on this document.

Other foreign jurisdictions

This Entitlement Offer Booklet does not constitute an offer in any jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer. No action has been taken to register or qualify the Entitlement Offer, the Entitlements or the New Shares, or otherwise permit the public offering of the New Shares, in any jurisdiction other than Australia, New Zealand, Hong Kong and United Kingdom.

The distribution of this Entitlement Offer Booklet (including an electronic copy) outside Australia, New Zealand, Hong Kong and the United Kingdom is restricted by law. If you come into possession of this Information, you should observe such restrictions and should seek your own advice on such restrictions. Any non-compliance with these restrictions may contravene applicable securities laws.

This Entitlement Offer Booklet may not be released or distributed in the United States. This Entitlement Offer Booklet does not constitute an offer to sell, or the solicitation of any offer to buy, any securities in the United States. The Entitlements and the New Shares have not been, nor will be, registered under the Securities Act or the securities laws of any state or other jurisdiction of the United States. The Entitlements may not be offered or taken up, and the New Shares may not be offered, sold or resold to, persons in the United States or persons who are acting for the account or benefit of a person in the United States. Neither the Entitlements nor the New Shares may be offered, sold or resold in the United States except in a transaction exempt from, or not subject to, the registration requirements of the Securities Act and applicable U.S. state securities laws. The Entitlements and the New Shares to be offered and sold in the Entitlement Offer may only be offered and sold outside the United States in "offshore transactions" (as defined in Rule 902(h) under the Securities Act) in reliance on Regulation S under the Securities Act.

3.16 Disclaimer of representations

No person is authorised to give any information, or to make any representation, in connection with the Entitlement Offer that is not contained in this Entitlement Offer Booklet.

Any information or representation that is not in this Entitlement Offer Booklet may not be relied on as having been authorised by Energy Action, or its related bodies corporate in connection with the Entitlement Offer. Except as required by law, and only to the extent so required, none of Energy Action, or any other person, warrants or guarantees the future performance of Energy Action or any return on any investment made pursuant to this Entitlement Offer Booklet.

3.17 Information availability

Eligible Shareholders in Australia and New Zealand can obtain a further copy of this Entitlement Offer Booklet during the period of the Entitlement Offer by contacting the Share Registry on the numbers listed in the Corporate Directory in this Entitlement Offer Booklet.

Persons accessing the electronic version of this Entitlement Offer Booklet should ensure that they download and read the entire Entitlement Offer Booklet. The electronic version of this Entitlement Offer Booklet on the Company's website will not include an Entitlement Form. A replacement Entitlement Form can be requested by calling Link Market Services Limited as Share Registry on +61 1300 554 474 (toll free within Australia).

3.18 Underwriters' disclaimers

The Underwriters, together with each of their respective related bodies corporates, shareholders or affiliates and each of their respective officers, directors, employees, affiliates, agents, representatives, partners, consultants or advisers (each a **Limited Party**) have not authorised, permitted or caused the issue, lodgement, submission, dispatch or provision of this Entitlement Offer Booklet and do not make or purport to make, and have not authorised, approved or verified, any statement (including any forward-looking statement) in this Entitlement Offer Booklet and there is no statement in this Entitlement Offer Booklet which is based on any statement by a Limited Party. No Limited Party makes any recommendation as to whether you or your related parties should participate in the Entitlement Offer and makes no representations or warranties, express or implied, to you or any other person concerning the Entitlement Offer or any such information, and by returning an Entitlement Form or otherwise paying for your New Shares through BPAY® in accordance with the instructions on your Entitlement Form, you represent, warrant and agree that you have not relied on any statements made by any Limited Party in relation to the New Shares, or the Entitlement Offer generally.

To the maximum extent permitted by law, each Limited Party expressly disclaims all liabilities (including, without limitation, any liability arising from fault or negligence on the part of any person) and any direct, indirect, consequential or contingent loss, damage, expense or cost whatsoever arising from, make no representations regarding, and take no responsibility for, any part of this Entitlement Offer Booklet or any action taken by you on the basis of the information in this Entitlement Offer Booklet, and makes no representation or warranty as to the currency, accuracy, reliability or completeness of this Entitlement Offer Booklet.

The Entitlement Offer is being undertaken by Energy Action and the Underwriters have no role, involvement or responsibility for the Entitlement Offer.

Further, no Limited Party accepts any fiduciary obligations owed to or relationship with any investor or potential investor in connection with the Entitlement Offer or otherwise, and by accepting this Entitlement Offer Booklet each recipient expressly disclaims any fiduciary relationship and agrees that it is responsible for making its own independent judgements with respect to the Entitlement Offer, and any other transaction or other matter arising in connection with this Entitlement Offer Booklet. The Underwriters or other Limited Parties may have interests in the shares of Energy Action, including being directors of, or providing investment banking

services to, Energy Action. Further, they may act as market maker or buy or sell those securities or associated derivatives as principal or agent.

3.19 Privacy

Chapter 2C of the Corporations Act requires information about you as a shareholder (including your name, address and details of your shares) to be included in the public register of the Company. Information is collected to administer your shares. Your personal information may be disclosed to the Company. You can obtain access to your personal information by contacting the Share Registry at the address or telephone number listed in the corporate directory.

Privacy Notice

The personal information you provide on the Entitlement Form is collected by Link Market Services Limited (**Link Market**) as Share Registry for the Company, for the purpose of maintaining registers of securityholders, facilitating distribution payments and other corporate actions and communications. In addition, the Company may authorise Link Market on its behalf to send you marketing material or include such material in a corporate communication. You may elect not to receive marketing material by contacting Link Market using the details provided above or emailing privacy.officer@linkmarketservices.com.au.

Link Market may be required to collect your personal information under the Corporations Act and ASX Settlement Operating Rules. Link Market may disclose your personal information to its related bodies corporate and to other individuals or companies who assist Link Market in supplying its services or who perform functions on its behalf, to the Company for whom it maintains securities registers or to third parties upon direction by the Company where related to the Company's administration of your security holding, or as otherwise required or authorised by law. For further details, including how to access and correct your personal information, and information on Link Market's privacy complaints handling procedure, please contact Link Market's Privacy Officer at privacy.officer@linkmarketservices.com.au or see Link Market's privacy policy at linkmarketservices.com.au.

3.20 Governing law

This Information, the Entitlement Offer and the contracts formed on acceptance of the Entitlement Offer are governed by the laws applicable in New South Wales, Australia. Each applicant for New Shares submits to the non-exclusive jurisdiction of the courts of New South Wales, Australia.

CORPORATE DIRECTORY

Registered Office

Level 5, 56 Station Street
Parramatta NSW 2150

Directors

Mr Murray Edward Bleach – Non-Executive Chairman
Mr Paul Francis Meehan – Non-Executive Director
Mr Bruce Duncan Macfarlane – Executive Director and Interim CEO
Ms Caroline Margaret Johanna Wykamp – Non-Executive Director
Mr Derek Myers – Non-Executive Director

Company Secretary

Mr. Dray Andrea

Legal Adviser

DLA Piper
Level 22
No. 1 Martin Place
SYDNEY NSW 2000

Underwriters

Derek Myers
30 Hartington Road
London W43UB
United Kingdom

Webzone Holdings Pty Limited ACN 063 136 041
116 Gloucester Avenue
Belair SA 5052

Registry

Link Market Services Limited
Level 12, 680 George Street
Sydney NSW 2000

Shareholder General Registry enquiries:
Telephone: +61 1300 554 474 (toll free within Australia)