

22 March 2024

ZEN Energy successfully completes \$160M corporate debt raising

Australia's first 1.5°C energy company has successfully completed its debt capital raising. The outcome confirms increasing interest and confidence among high net worth and institutional investors in ZEN's business strategy.

ZEN's ambitious growth plans have been supported by organisations including private debt investment manager Longreach Credit Investors, ethical superannuation fund Future Group, ASX listed financial service provider Income Asset Management (IAM), leading WA property investment firm Hesperia, Samuel Terry Asset Management and impact investors.

ZEN closed Tranche A of the capital program at \$54M in September 2023. The successful conclusion of the Tranche B capital raising closed the overall program at \$160M. This comes just after ZEN's announcement that it has reached financial close on its 100% owned energy storage asset, a 111-megawatt, 291 megawatt-hour battery located at Templers, 60km north of Adelaide.

A third of the funds raised were from existing investors, shareholders, and employees, demonstrating the depth of support for ZEN's business model.

Investor confidence in ZEN enables the business to continue to pursue its ambitious growth plans, which centre around enabling large energy users to reduce their carbon footprint in an efficient manner.

Quotes attributable to ZEN's CEO, Anthony Garnaut:

"We welcome the latest group of institutional and impact investors, including Longreach and Future Group, into ZEN's ecosystem of partners with aligned sustainability goals.

"Meeting our capital raising goal means we can continue to scale our business model, including by taking the next step in building out our portfolio of renewable energy and storage assets.

"With this injection of capital, ZEN will also be able to scale our existing and attract new sustainability driven customers, accelerating their journey to the zero carbon future."

Quotes attributable to Longreach Credit Investors Chief Commercial Officer, Alex Nisbet:

"Longreach Credit Investors is pleased to have supported ZEN in this debt raising. ZEN is well positioned to be a key player in driving the renewable energy transition in Australia and is another example of the high-quality Australian businesses and management teams that we seek to partner with."

Quotes attributable to Future Group Executive Director Investments, Sharon Davis:

"Future Group injected \$30M of capital into ZEN Energy, enabling the business to retain 100 per cent ownership of its first major asset, the 291-megawatt-hour Templers Battery in regional South Australia.

"Using superannuation's \$3.4 trillion can unlock climate solutions and investments. Zen Energy's ESG-driven business reflects the values of Future Group's, leading the investment movement to advocate for a future worth retiring into."

Quotes attributable to Income Asset Management (IAM) Executive Director – Debt Capital, Tim Smith:

"IAM is a proud supporter of ZEN's ambitious renewable energy strategy and have been delighted to be a joint lead manager on this transaction. We believe it is a significant milestone in the context of Australia's rapidly evolving private credit market.

This transaction is a testament to the ZEN management team and a large step toward achieving its long-term aspiration of becoming an investment grade issuer.”

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ABOUT ZEN

ZEN stands for Zero Emissions Now. ZEN is accelerating Australia’s path to becoming a renewable energy Superpower and is Australia’s first electricity retailer to have a near-term science-based emissions reduction target in line with limiting global warming by 1.5°C. In the 5 years since we obtained our electricity retail license, ZEN has brought together a community of sustainability-driven customers (governments, businesses, industries, and residents), renewable energy suppliers and capital partners. Some of our key customers include the South Australian Government, CSIRO’s sites in New South Wales, Victoria, South Australia and the Australian Capital Territory and the Southern Sydney Regional Organisation of Councils (SSROC) which comprises twenty-five local councils in New South Wales, four of them in the top ten by size.

We have contracted renewable energy and environmental certificates from 20 solar and wind farms and are actively growing our firm renewable energy supply. ZEN has installed 35,000 commercial and residential renewable energy systems across Australia.