__Tower 3 Collins Square__, 747 Collins Street, Melbourne VIC

EnergyAction

GROUP FINANCIAL RESULTS

16 AUGUST 2018

IVAN SLAVICH
Chief Executive Officer
Energy Action Limited

MICHAEL FAHEY
Chief Operating Officer & Chief Financial Officer
Energy Action Limited

FULL YEAR FY18 RESULTS AGENDA

ENERGY ACTION

1. **RESULTS HIGHLIGHTS & BUSINESS UPDATE**
   Ivan Slavich
2. **GROUP FINANCIALS**
   Michael Fahey
3. **OPERATIONAL PERFORMANCE**
   Ivan Slavich
4. **FY19 PRIORITIES**
   Ivan Slavich

FY18 FULL YEAR RESULTS HIGHLIGHTS

STRONG GROWTH IN PROFITS, CASH FLOWS AND DIVIDENDS

Statutory profit of $2.59 million	Up 46% vs FY17
Operating profit of $2.59 million	Up 3% vs FY17
Operating EBITDA margin grew to 18.3%	Up 1.2 percentage points
Operating cash flow up 91% to $6.9 million	Driven by higher EBITDA and improved cash collections
Operating Costs reduced by 2%	Operational efficiencies being realised
Net debt reduced by $3.1 million	Borrowing capacity expanded to $7.7million
Fully franked dividend of 4.0 cps	Up 186% vs 1.40 cps in FY17

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FY18 FULL YEAR BUSINESS HIGHLIGHT

OPERATIONAL HIGHLIGHTS

PROCUREMENT	CMER	PAS	CORPORATE
Facilitated a 15 year Corporate PPA deal between UNSW, Maoneng's Sunraysia solar farm and Origin Energy	**Decline in Metrics sites under management slowed in second half**	**Grew OptEEmise energy efficiency product for commercial buildings from 8 to 15 sites**	**30% increase in the number of females in leadership positions**
Strong growth in Auction value Solid auction volumes, longer contract duration and higher $/MWh pricing	**Embedded Network tenancies under management grew from 750 to 1,378**	**Engaged to develop an Energy Plan for a major infrastructure project**	**New clients in FY18 include Brickworks, Mulpha, Growthpoint Properties, and Elanor Investments**
Doubled the number of structured products clients	**Metrics Insight launched June 2018**		**Establishment of BPO to reduce cost**

GROUP FINANCIAL RESULTS

***Quintessential Equity -** 44 Sydney Ave, Forrest ACT*

OPERATING NPAT OF $2.59M

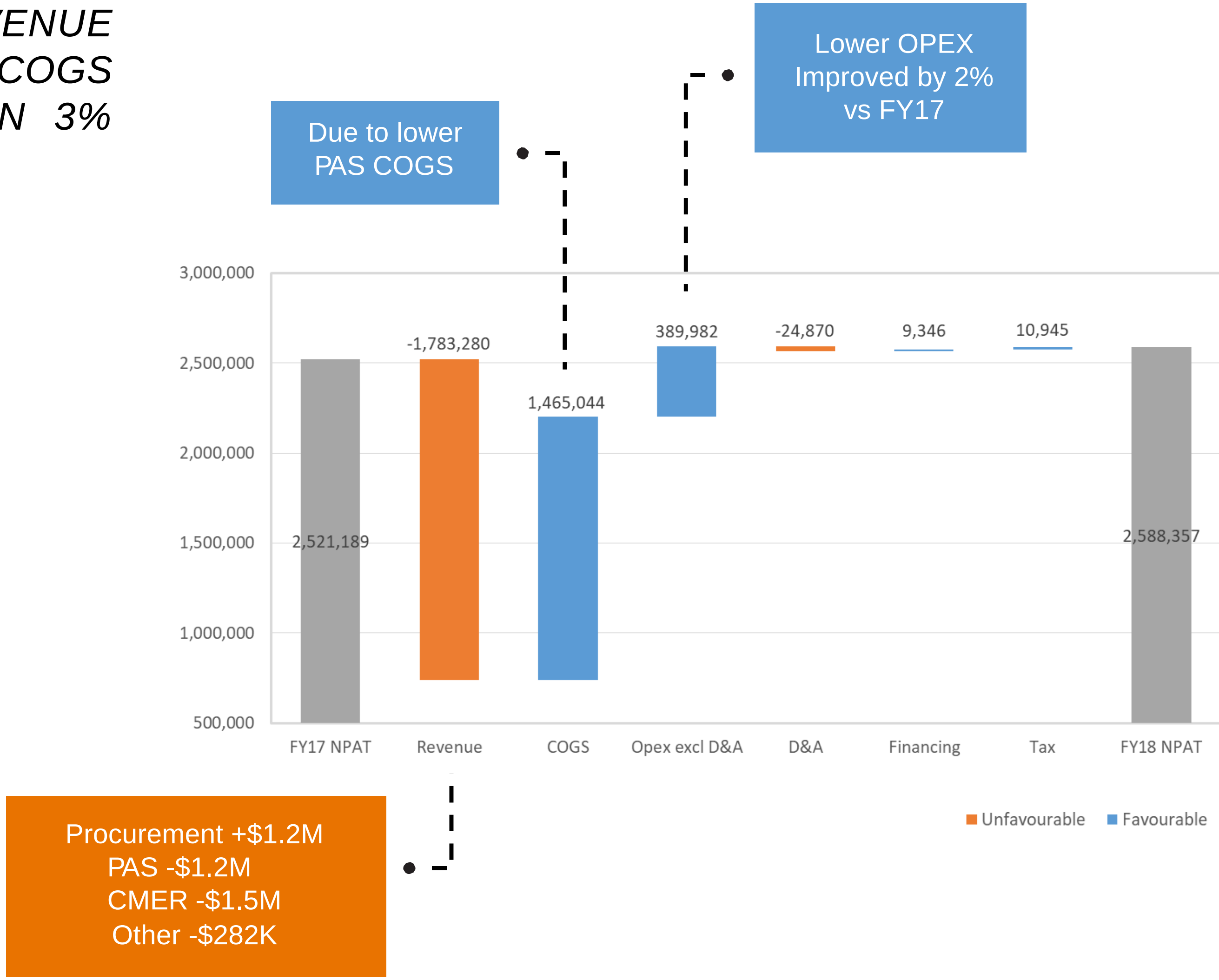
STATUTORY PROFIT UP 46%, OPERATING PROFIT UP 3%

P&L	FY18	FY17	% Variance
Revenue	31,173,824	32,957,103	(5%)
COGS	4,466,526	5,931,570	25%
Gross Margin	26,707,297	27,025,533	(1%)
Opex - excl D&A	21,003,694	21,393,676	2%
EBITDA	5,703,603	5,631,857	1%
Depn & Amortisation	1,535,080	1,510,210	(2%)
EBIT	4,168,523	4,121,647	1%
Financing Costs	530,032	539,378	2%
Profit before tax	3,638,491	3,582,269	2%
Tax expense	1,050,134	1,061,080	1%
Underlying NPAT	2,588,357	2,521,189	3%
Significant items:			
Deferred consideration	-	392,811	100%
M&A & restructuring costs	-	507,725	100%
Total Significant items	-	748,219	(100%)
Statutory Profit after tax	2,588,357	1,772,970	46%
EBITDA Margin	18.3%	17.1%	1.2ppts

- Growth in Procurement offset by lower CMER and PAS revenues
- Lower COGS on lower PAS revenue
- Opex lowered by 2% vs FY17
- Lower financing costs
- Operating NPAT improved 3%
- Statutory NPAT improved 46%

OPERATING PROFIT DRIVERS

5% REDUCTION IN REVENUE OFFSET WITH SAVING IN COGS AND OPEX RESULTING IN 3% HIGHER NPAT



REVENUE AND OTHER INCOME FOR THE FULL YEAR DECLINED BY -5%

LOWER REVENUES IN CMER AND PAS PARTIALLY OFFSET WITH INCREASE IN PROCUREMENT

	FY18	FY17	Variance	% Variance
Procurement	9,279,290	8,079,593	1,199,697	15%
Contract Mgmt & Energy Reporting	15,145,890	16,695,501	(1,549,611)	(9%)
Projects & Advisory Services	6,637,696	7,788,714	(1,151,017)	(15%)
Other Revenue	110,948	393,295	(282,347)	(72%)
Total Revenue	**31,173,824**	**32,957,103**	**(1,783,279)**	**(5%)**

- Auction revenues up 15% as a result of higher $/MWh and an increase in contract duration to 26 months.
- Structured Products revenue increased strongly as client numbers doubled.
- Growth recorded in Tariffs and Electricity Tenders, offset by a decline in Gas Tenders due to the lack of affordably priced gas in the marketplace.

- CMER revenue declined 9% with sites under management in the core Metrics service declining by circa 800 sites in FY18. Site decline significantly slowed since January 2018
- Embedded Network revenues grew over 100%.
- PAS revenue declined by 15% following the decision to amend the delivery model to phase out lower margin supply & install head contracting. Consulting revenues grew 5%.

STRONG OPERATING CASHFLOW

OPERATING CASHFLOW BEFORE INTEREST & TAX CIRCA $3.3 MILLION HIGHER THAN FY17

- **Significant turnaround in cash generation – up $3.3 million vs FY17**
- **EBITDA to cash conversion 121%.**
- **Continued focus on receivables has resulted in major improvement in debtor collections.**
- **Lower Creditors, primarily lower employee provisions and PAS project creditors.**
- **No significant items.**

Operating Cash Flow	FY18	FY17
Operating EBITDA	5,703,603	5,631,858
Share based payments	55,458	(203,173)
Trade debtors	2,153,828	(1,028,492)
Other debtors	139,786	(434,196)
Trade creditors	267,238	(228,646)
Other creditors & provisions	(1,443,504)	(135,768)
Working Capital movements	1,172,806	(2,030,274)
Operating Cash Flow before Interest & Tax	**6,876,409**	**3,601,584**
Net Financing costs	(468,118)	(418,816)
Income taxes paid	(1,150,702)	(1,116,918)
Operating Cash Flow	**5,257,589**	**2,065,850**
Cash flow related to Sig Items	-	(3,481,958)
Statutory net cash from operating activities	**5,257,589**	**(1,416,108)**

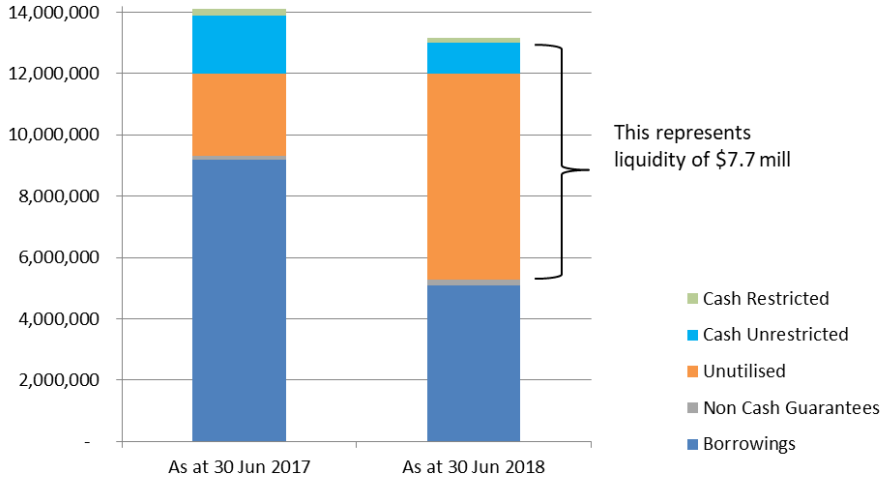
Operating Cash flow as a % of EBITDA	**121%**	**64%**

DEBT STRUCTURE AND KEY FINANCIAL RATIOS

$7.7 MILLION OF AVAILABLE HEADROOM UNDER EXISTING DEBT FACILITIES - UP $3.1 MILLION VS FY17

EAX has a 5 year, $12 million multi-option facility agreement expiring October 2019

- Can be provided under the facility as loans, bank guarantees or as letters of credit.
- Current net debt $4.3 million comprising facility loan of $5.1 million and bank guarantees principally in relation to rental properties of $0.2 million, less available cash on hand of $1.0 million.
- Strong cash flow resulted in repayment of $4.1 million of debt ($3.1 million net of cash on hand).



Financial covenant metrics	Threshold	Jun 18	Jun 17
Interest cover ratio (EBITDA : Interest)	min 3.0	11.7	11.3
Gearing ratio (Total Debt : EBITDA)	max 2.0	0.75	1.4

OPERATIONAL PERFORMANCE

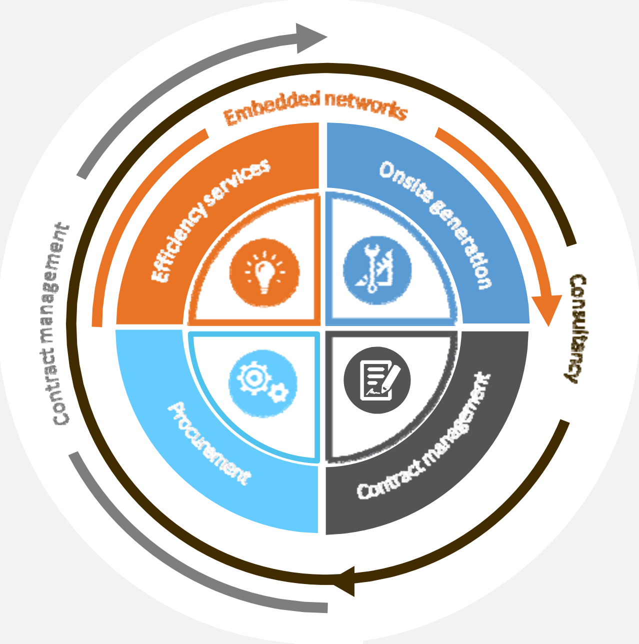
Quintessential Equity - *44 Sydney Ave, Forrest ACT*

ENERGY OPTIMISATION LIFECYCLE AND HOW ENERGY ACTION INTERACTS WITH ENERGY CLIENTS

WE HELP CLIENTS UNDERSTAND AND TAKE CONTROL OF THEIR ENERGY NEEDS

- Complete energy assessments and audits;
- Track performance of an asset or plant to identify improvement opportunities;
- Solve power factor issues;
- Recommend building upgrades for improved performance; and
- Identify opportunities to reduce waste.

- Design and manage solutions to aid energy users to become more self-sufficient and lower their energy use;
- Expertise in onsite generation and the creation of embedded networks and micro-grids; and
- Provide advice on battery installation.



- Tailor the procurement strategy to match the energy buyers' needs;
- Advise on the best timing and duration for the energy procurement;
- Create competitive tension to ensure the optimal energy pricing structure is achieved; and
- Deliver the correct commercial and contractual outcome.

- Manage energy budgets and costs and liaise with retailers;
- Simplify the reporting method in order for clients to meet their internal and external obligations;
- Data access is available anytime and anywhere; and
- Manage embedded network operations.

PROCUREMENT

TOTAL REVENUE UP 15%

Energy Action provides a complete range of procurement options across four distinct market segments:

- **Structured Products**
- **RFP's or tenders**
- **Tariff (SME)**
- **AEX auctions**

	FY18	FY17	Variance
No. of successful AEX Auctions[1]	1,311	1,306	5
Average AEX contract duration	26.1mth	20.3mth	5.8mths
TWhs procured via Auction[2]	1.48	1.57	(5.7%)
Average $/MWh	$88.85	$85.52	3.9%
Total Auction Bid Value[3]	$285m	$227m	26%
No. of electricity tenders	47	40	18%
No. of gas tenders	52	67	(22%)

1. Contracted auctions
2. Annualised equivalent
3. Electricity component of contract only, i.e. excluding network and other charges

- AEX auctions above FY17.
- Longer contract duration in line with EAX guidance and higher $/MWh resulted in 26% increase in total auction bid value.
- Number of clients using strategic procurement rose from 7 to 15.
- Growth in tariffs and tender revenue.
- UNSW 15 year corporate PPA deal signed.

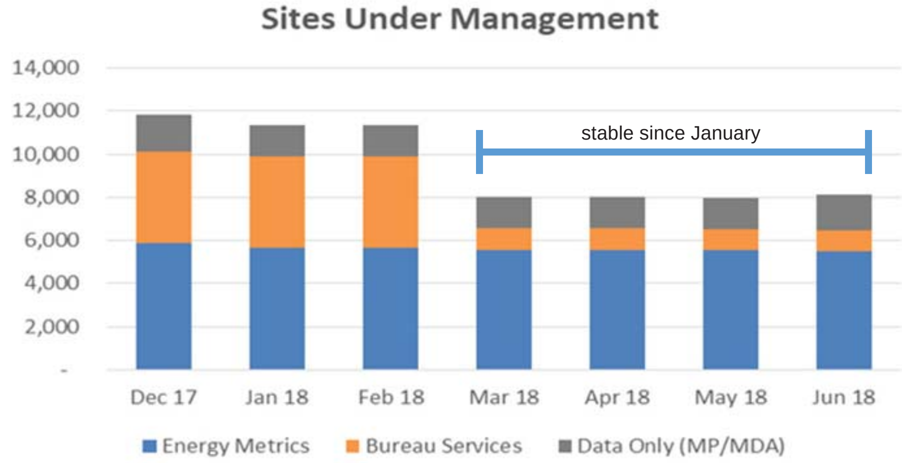
Australian Energy Exchange

EnergyAction

CONTRACT MANAGEMENT & ENVIRONMENTAL REPORTING

CMER REVENUE DECLINED 9% HOWEVER SITES UNDER MANAGEMENT STABILISED SINCE JANUARY 2018

- **Over 8,100 sites are under management.**
- **CMER revenue declined 9% with sites under management in the core Metrics service declining by circa 800 sites in FY18. Site numbers have remained stable since January 2018.**
- **As disclosed in the Half Year Report, a large corporate Bureau Service contract expired in Feb 2018 for approximately 3,100 sites and was not renewed.**
- **Introduction of more competitive pricing for Energy Metrics.**
- **Pipeline of future IT developments to enhance functionality.**



EnergyManager
EnergyBureau & environmental reporting
EnergyMetrics

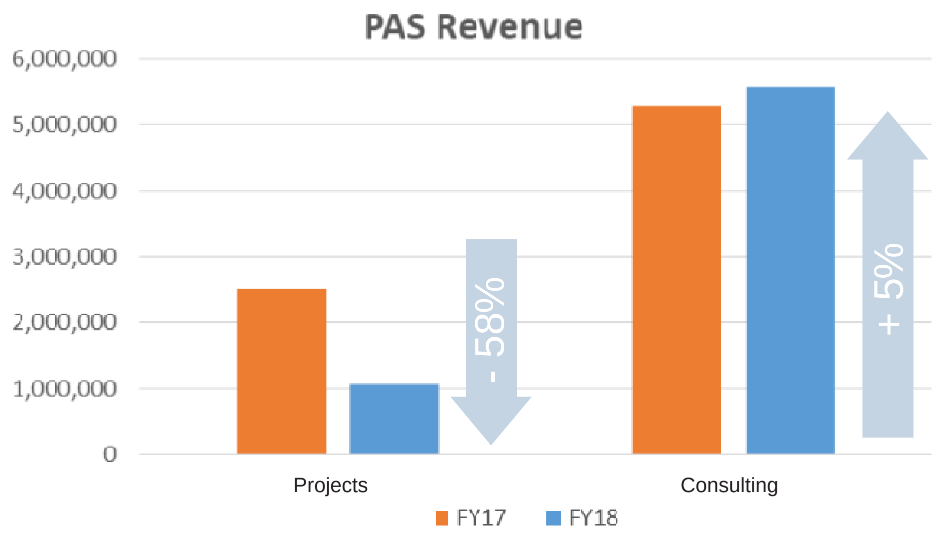
- Over $5 million of potential bill validation and network tariff review savings to clients generated in FY18.
- Over $1.5 million in a single billing error discovered for a client in August 2017.
- Energy Metrics Insight launched June 2018 with several clients already onboarded.
- Streamlining of processes, service automation and improved speed to market progressed and continuing.

PROJECTS & ADVISORY SERVICES

PAS REVENUES DECLINED FOLLOWING SHIFT FROM LOW MARGIN PROJECT WORK TO HIGHER MARGIN CONSULTING. CONSULTING REVENUES GREW 5%

- **PAS revenues declined by 15% vs FY17, with a decision to focus on higher margin consulting work, and phase out supply & install head contractor project work.**
- **Good growth in energy policy consulting and OptEEmise, a service providing continuous monitoring and tuning of energy performance in commercial buildings.**
- **Tower 3 Collins Square awarded Energy Project of the Year (Oceania)* and CIBSE Building Performance Award (London).**
- **33 solar installations completed via partner networks.**

**Association of Energy Engineers USA*



- 241 O'Riordan St, Sydney achieved 4.5 stars NABERS ahead of schedule with Energy Action engaged as Independent Delivery Team (IDT) for solar, mechanical upgrade works and Building Management System upgrade.
- OptEEmise grew from 8 to 15 sites under management.
- Panel membership for the Industry Energy Support Stream (IESS) for the Department of Economic Development, Jobs, Transport and Resources VIC.
- Completed the technical analysis for the Australian Sustainable Built Environment Council.
- Engaged to complete an energy plan for a large infrastructure project.

CORPORATE HIGHLIGHTS

Improved workplace diversity with a 30% increase in the number of female leaders in management positions

Continued investment in core system development with benefits expected to be realised in second half of FY19

Heightened Energy Action corporate profile on traditional and social platforms

Lowered cost to serve via the use of offshore and outsourced resources & improved technology

Streamlined client sign-ups via the use of digital technologies

Disciplined cost and cash management enabled debt reduction of $3.1million

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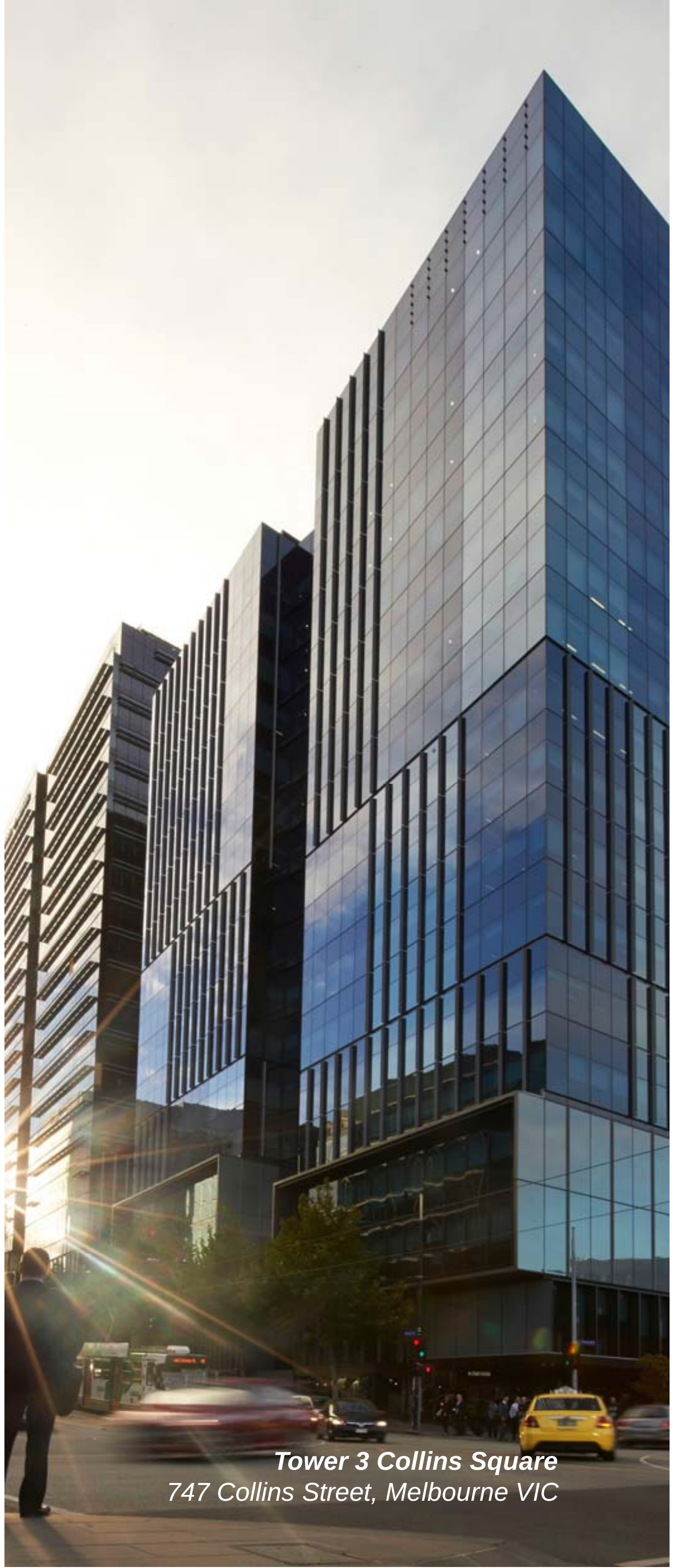

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FY19 PRIORITIES

Quintessential Equity - *44 Sydney Ave, Forrest ACT*

OUR TOP PRIORITIES FOR FY19

BUSINESS STRATEGY & PROSPECTS FOR FUTURE FINANCIAL YEARS

KEY PRIORITIES

- Refresh Energy Metrics with new offers, additional value adds and improved automation.
- Develop and launch an Integrated Energy Plan offering for clients for cross sell opportunities.
- Develop new products & services to grow the business.
    - Facilitate corporate power purchasing agreements between clients & developers.
    - Extending Structured Products to target mid tier clients.
    - Extending the AEX platform to other energy related products & services.
- Continue to automate and streamline processes through digitalisation.

A further business update will be provided at our AGM

STRATEGIC REVIEW

PwC APPOINTED TO CONDUCT A REVIEW OF THE VARIOUS STRATEGIC OPTIONS AVAILABLE TO MAXIMISE VALUE FOR SHAREHOLDERS

- ASX announcement of strategic review 6th August 2018.
- Options include the potential sale, joint venture or merger with another organisation, or continuation of the current organic growth strategy.
- Significant initial interest received by PwC.
- Focus on growing the business and client service delivery whilst the review is underway.

CONNECT WITH US

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Any investment decision with respect to any transaction involving Energy Action Limited should be made based Solely upon any offering documents, if applicable, and appropriate due diligence by the prospective investor.

We believe the information provided herein is reliable, as of the date hereof, but do not warrant its accuracy or completeness. In preparing these materials, we have relied upon and assumed, without independent verification, the accuracy and completeness of all information available from public sources.

Past performance is not a reliable indicator of future performance. This presentation may include forward-looking statements that represent opinions, estimates and projections, which may not be realised. Forecasts, by their very nature, are subject to uncertainty and contingencies, many of which are outside the control of Energy Action Limited. Actual results may vary from any forecasts and any variation may be materially positive or negative. This presentation includes forward-looking statements that represent opinions, estimates and projections, which may not be realised. We believe the information provided herein is reliable, as of the date hereof, but do not warrant its accuracy or completeness. In preparing these materials, we have relied upon and assumed, without independent verification, the accuracy and completeness of all information available from public sources.

All information contained herein is current as at 30 June 2018 unless otherwise stated.

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APPENDIX

Quintessential Equity - *44 Sydney Ave, Forrest ACT*

BALANCE SHEET

Balance Sheet As at - Jun-2018			
	30/06/2018	30/06/2017	% Variance
CURRENT ASSETS			
Cash and cash equivalents	1,171,288	2,105,780	(44%)
Trade and other receivables	3,838,586	5,992,413	(36%)
Current tax asset	56,738	877	6370%
Other assets	2,374,044	2,221,521	7%
TOTAL CURRENT ASSETS	**7,440,656**	**10,320,591**	**(28%)**
NON-CURRENT ASSETS			
Trade and other receivables	91,358	91,358	0%
Property, plant and equipment	529,890	744,273	(29%)
Other assets	339,389	549,478	(38%)
Other Intangible assets	3,959,113	3,312,004	20%
Goodwill	9,944,796	9,944,796	0%
Customer relationships	1,167,090	1,406,174	(17%)
TOTAL NON-CURRENT ASSETS	**16,031,636**	**16,048,083**	**(0%)**
TOTAL ASSETS	**23,472,292**	**26,368,674**	**(11%)**
CURRENT LIABILITIES			
Trade and other payables	1,927,698	2,717,042	29%
Short-term provisions	1,000,837	1,374,146	27%
TOTAL CURRENT LIABILITIES	**2,928,535**	**4,091,188**	**28%**
NON-CURRENT LIABILITIES			
Other long-term provisions	354,256	320,180	(11%)
Loans and Borrowings	4,997,225	9,015,005	45%
Deferred tax liability	327,632	372,339	12%
TOTAL NON-CURRENT LIABILITIES	**5,679,113**	**9,707,524**	**41%**
TOTAL LIABILITIES	**8,607,648**	**13,798,712**	**38%**
NET ASSETS	**14,864,644**	**12,569,962**	**18%**
EQUITY			
Issued capital	6,537,906	6,537,906	0%
Share based payments reserve	318,226	262,768	(21%)
Retained earnings	8,055,889	5,830,890	(38%)
Interest rate hedging reserve	(7,567)	(24,165)	(69%)
Foreign currency translation reserve	(39,810)	(37,437)	6%
TOTAL EQUITY	**14,864,644**	**12,569,962**	**(18%)**

STATUTORY TO OPERATING PROFIT RECONCILIATION

$	Operating profit after tax			EBITDA		
	FY18	FY17	Variance	FY18	FY17	Variance
Statutory results after tax / Operating EBITDA	**2,588,357**	**1,772,970**	**46%**	**5,703,603**	**4,731,322**	**21%**
Add back Significant Items after tax :						
Deferred consideration on acquisitions*	-	392,811	(100%)	-	392,811	(100%)
Restructuring and M&A costs**	-	355,408	(100%)	-	507,725	(100%)
Total Significant Items	-	748,219	(100%)	-	900,536	(100%)
Operating Profit after tax / Operating EBITDA	**2,588,357**	**2,521,189**	**3%**	**5,703,603**	**5,631,858**	**1%**

Statutory Profit / (Loss) is prepared in accordance with Australian Accounting Standards and the Corporations Act. Statutory Profit / (Loss) after tax (NPAT) of 2.59 million for the year ended 30 June 2018 compared to a statutory NPAT of $1.77 million for the year ended 30 June 2017, an increase of 46%.

** Deferred consideration relating to the acquisition of Energy Advice required to be expensed for accounting purposes*
***Costs associated with restructuring including redundancies.*

Operating Profit is reported to give information to shareholders that provides a greater understanding of operating performance by removing Significant Items and therefore facilitating a more representative comparison of performance between financial periods.

IMPACT OF CHANGES TO THE REVENUE ACCOUNTING STANDARD

AASB 15 REVENUE FROM CONTRACTS WITH CUSTOMERS

- The change to AASB 15 Revenue from contracts with customers becomes effective 1 July 2018 for the FY19 financial year.
- Energy Action elects to adopt the full retrospective approach to implementation of the standards in FY19. This will allow a comparison of prior year results under a consistent accounting approach.
- Energy Action has completed a detailed analysis of all revenue lines. As a result, management have assessed that the key changes are in the recognition of Auction revenue and the treatment of associated sales commissions.
- Auction revenue has historically been recognised as we invoice the retailer over the period of the contract. In applying AASB15, revenue for Auctions's will now be recognised upfront, once the Auction is complete and the contracts signed between the retailer and the customer.
- In addition, the associated sales commissions have been historically capitalised and amortised in line with the underlying revenue. Sales incentives will now be expensed as incurred in line with the upfront recognition of revenue.
- When there is a material change in accounting standards, the impact on historical results can be treated as an adjustment to opening retained earnings. This is proposed in this case and the details are set out in the next slide.

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IMPACT OF CHANGES TO THE REVENUE ACCOUNTING STANDARD

AASB 15 REVENUE FROM CONTRACTS WITH CUSTOMERS

- Impact on opening Retained earnings as at 1 July 16 (FY17 and prior) is +$2.98 million, one-off acceleration of revenue and expenses (tax effected).
- Impact on FY18 Results is +$0.80 million.
- Total impact +$3.78 million, total revenue of $6.58 million less total expenses of $1.17 million (tax effected).
- All amounts subject to audit

	Opening Balance Adjustment 1 July 17	FY18 Impact	Total Impact
Revenue	5,999,229	579,186	6,578,415
Tax Expense (-ve expense)	1,799,769	173,756	1,973,524
Revenue Tax Effected	**4,199,460**	**405,430**	**4,604,890**
Expenses (-ve expense)	1,737,020	(562,958)	1,174,062
Tax Expense (-ve expense)	(521,106)	168,887	(352,219)
Expenses Tax Effected	1,215,914	(394,070)	821,843
Net Profit/(Loss)	**2,983,546**	**799,500**	**3,783,047**
Revenue to be invoiced	5,999,229	579,186	6,578,415
Future Commissions Payable	(210,587)	(52,647)	(263,234)
Deferred Income Tax Liability	(1,278,663)	(342,643)	(1,621,306)
Prepaid Commission	(1,526,433)	615,605	(910,828)
Balance Sheet	**2,983,546**	**799,500**	**3,783,047**

IMPACT OF CHANGES TO THE REVENUE ACCOUNTING STANDARD

AASB 15 REVENUE FROM CONTRACTS WITH CUSTOMERS

AASB15 impact on FY18 Profit & Loss Statement:

- Revenue increased by $0.58 million
- OPEX decreased by $0.56 million
- Profit before tax increased by $1.14 million
- Statutory profit after tax increased by $0.80 million

P&L has been restated in line with AASB15[1]

P&L	FY18	FY18 AASB15	FY18 Impact AASB15	% Impact
Revenue	31,173,824	31,753,010	579,186	2%
COGS	4,466,526	4,466,526	-	0%
Gross Margin	26,707,297	27,286,483	579,186	2%
Opex - excl D&A	21,003,694	20,440,736	562,958	3%
EBITDA	5,703,603	6,845,747	1,142,144	17%
Depn & Amortisation	1,535,080	1,535,080	-	0%
EBIT	4,168,523	5,310,667	1,142,144	22%
Financing Costs	530,032	530,032	-	0%
Profit before tax	3,638,491	4,780,635	1,142,144	24%
Tax expense	1,050,134	1,392,778	(342,644)	(25%)
Underlying NPAT	2,588,357	3,387,857	799,500	24%
Significant items:	-		-	0%
Deferred consideration	-		-	0%
Restructuring Costs	-		-	0%
Total Significant items	-	-	-	0%
Statutory Profit after tax	2,588,357	3,387,857	799,500	24%

1. Subject to Audit