

Interim CEO's Address

2021 Annual General Meeting

Wednesday, 24 November SYDNEY: Address by Bruce Macfarlane, Interim CEO and Executive Director of Energy Action (ASX: EAX), at the company's 2021 Annual General Meeting (AGM).

Opening remarks

Thank you, Murray. Good morning to everyone once again joining us virtually.

At our last AGM, we acknowledged the challenges for Energy Action that were impacting revenue. A year later the challenges continue. Energy Action is still in a turnaround situation. With falling revenue in the first quarter and expected losses at the half year.

But in October we implemented remediation actions and a month later we are seeing the very early signs of positive change. Changes that we anticipate will lead to improved sales and help us deliver on our customer mission to make energy easier, cleaner, and lower cost.

Our strategy going forward is delivering sustainable, profitable growth

Energy Action has a unique place in the Australian energy market. We have been in business for over 20 years. Have around 7500 customers. And our energy buying and management services remain relevant especially as our economy moves to net zero.

Given our recent financial performance we needed to do something different. In October, we invested in our marketing processes to improve new customer sales, started to automate our customer renewals, and changed our auction commission structure to meet market conditions. We made these changes so that Energy Action can deliver on our strategies to deliver sustainable, profitable growth with:

- Organic growth, building on the scale advantage we have with about 10% of the Australian energy broker market.
- Technology, using our new technology team to build software that improves customer acquisition and customer service.
- Net Zero, helping our customers deliver on their market and community expectations to drive emissions lower.

Organic growth is our priority

To achieve organic growth, we have changed our sales team. Appointing Edwin Rogers as General Manager Sales with single person accountability for sales. Edwin has been with Energy Action since July 2019, managing part of the sales team and consistently delivered on sales budget. He is now managing the whole sales team and is expected to improve our sales performance in the near term.

Important to growing market share is our new marketing capability. Energy Action is running new campaigns allowing us to identify businesses likely to buy our services. We're building a pipeline of future sales and driving current sale orders. Our marketing capability is essential to how we expand our market share, particularly with the medium-business market segment.

Technology is our enabler and now a core capability

My background is technology. I've spent 20 years in and around energy technology. In both the enterprise and start-up spaces.

For the last 18 months Energy Action has been stabilising our legacy technology. But this month and more substantially from January 2022, our focus will shift to the future, enhancing our existing energy management software platform. We have built invoice parsing capability using modern AI software, and are starting to layer our services on top of this technology. The immediate externally visible evidence of our technology will be a customer self-serve sign-up process that will go live on our website next month in December.

We can do this because we now have an internal team of software engineers. These are people who want to work on the big problem of making energy simpler. Clint Irving who is leading our technology team was last week included by CIO magazine as a CIO50. A list of Australia's most innovative Chief Technology Officers¹.

I'm immensely proud of the team we've assembled and humbled they chose to work here. Technology is now a core capability at Energy Action. It has allowed us to dramatically reduce our technology spend and build a software asset that will make new customer sign-up easier, while improving the service we give our current customers. Our goal is to increase new customer sales and customer retention.

Net zero is part of our DNA

Our customers use our services because they want to drive down the prices they pay for energy. But our services can help them with their journey to net zero. They help our customers measure the energy they use, and buying from clean renewable sources, or offset their emissions. We are reimagining the services we offer to have a DNA of net zero.

¹ <https://www2.cio.com.au/cio50/>

Energy Action has taken the steps needed to reach net zero. We're in the process of getting net zero certification from Climate Active, an Australian Government initiative to drive voluntary climate action with carbon neutral certification. It's the type of certification we are anticipating our customers will want to get, so our intention is to show them the steps we took, and how we can help them achieve it.

Close

We know that many of our customers have had a difficult year, and for some, those challenges may persist. But Energy Action is here to help them make energy easier to understand, cleaner to use, and lower cost.

For our thousands of business customers our services remain relevant, and our technology investment is beginning to deliver a contemporary service to them.

We've a group of people who are absolutely capable and completely committed to delivering for our shareholders and I look forward to standing up in front of you in the future and demonstrating that that's what we've achieved. With our net zero focus, I'm proud to lead a business with the people and customers that can make a difference to our community and the country.

I'd like to thank Murray and Paul for their leadership. And I'd like to thank you, our shareholders, for your ongoing support of Energy Action.

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

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