

ASX Announcement

Turnaround Success. Energy Action returns to profit

Trading update

Wednesday, 14 February 2024 (SYDNEY): Energy Action (ASX: EAX) (the **Company**) is pleased to report improved financial and operational performance for the 6 months to 31 December 2023 based on unaudited management accounts.

Our positive Net Profit After Tax is the result of our sales strategies starting to gain momentum and the continuation of cost management. The results demonstrate the success of our strategy. We are focusing on our strengths, delivering energy and carbon procurement and management services to Australian businesses. Using technology to deliver our services effectively and increase our value to customers.

Financial Performance

For the half-year ending 31 December 2023, Energy Action reported a significant improvement in financial metrics. Key financial highlights include:

Profitability: Energy Action achieved a significant profit turnaround, with a \$0.43M profit before income tax for the half year compared to a loss of \$0.52M in H1 FY23 (when our divested embedded network is removed from the result), which is a clear indicator of our improved business performance.

Operating Cash Flow Positive: Demonstrating our commitment to financial stability and growth, Energy Action reported a positive cash flow from operating activities, a substantial improvement to \$0.38M for the half year (\$0.14M in H1 FY23), highlighting our ability to generate cash sustainably.

Revenue: Revenue fell slightly to \$5.7M but is a lagging indicator of the effectiveness of our sales strategies. Revenue reported in H1 FY24 does not have revenues from the now divested non-core embedded network business that were included in prior corresponding periods.

Balance Sheet Strength: Our closing cash position stood at \$1.066M, underpinning our robust financial foundation. Additionally, shareholder equity improved significantly, moving from a deficit of \$633,090 in H1 FY23 to a positive equity position of \$403,516 in H1 FY24. This enhancement underscores our ability to build value for our shareholders and our capacity to support investment for future growth.

Strategic Outlook

Energy Action's services are designed to reduce business customers' energy costs and emissions. We offer a suite of services using our proprietary software, Utilibox, to simplify the energy market for our customers.

Our customer segments are enterprise and business customers. For each we are seeing energy and emissions converge into a single category. Sustainability and procurement objectives are being joined. Over the next year, Energy Action will continue to invest in building technology to support this emerging category without forgetting that our customers want to drive down energy costs.

Management Commentary

"I strongly believe that long-term shareholder value comes by balancing customer service and business profit," stated Bruce Macfarlane, Interim CEO. "Our investment in sales and technology are about building a capability and intangible asset that we are only now starting to see the benefit from."

Summary of unaudited management accounts

Results summary for half year ended	FY24 H1 31 Dec 23	FY 23 H1 31 Dec 22 ⁽¹⁾	Change
Revenue	\$5.71M	\$5.9M	- 3.2%
EBITDA	\$1.00M	\$0.24M	+ 316%
Net profit after tax	\$0.43M	(\$0.52M)	\$0.95M improvement
Operating Cash flow	\$0.378M	\$0.145M	+ 160%
Auctions held	375	317	+ 18.3%
Total auction bid value	\$122.9M	\$112.9M	+ 8.9%

(1) Excludes \$110,062 in revenue generated from the embedded networks business sold in April 2022 to representing like for like comparison based on present activities.

This announcement has been approved for release by the Board.

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