

ASX Announcement

Continuing profit growth: EAX unaudited preliminary accounts.

30 August 2024 (SYDNEY): Energy Action Limited (ASX: EAX) is pleased to announce that the Company achieved positive EBITDA, NPAT, and cash flow for the twelve-month period ended 30 June 2024, based on unaudited and preliminary management accounts.

Energy Action continued to deliver profit growth, reflecting continuing cost management and a focused approach on its core services of energy and emissions procurement and management. Specific strategies implemented included:

1. Revenue stabilisation and a focus on sales growth.
2. Operational expense control, maintaining a sustainable cost base.
3. Debt reduction and deleveraging, resulting in a stronger balance sheet and improved debt-to-revenue ratio.
4. Technology investment in Utilibox, an AI cloud-based energy and emissions management application.

These strategies have delivered positive FY24 financial results. However, given the competitive environment, sustained revenue growth will require ongoing investments in sales, marketing, and technology-enhanced services.

Summary of Unaudited Management Accounts

Energy Action provides the following summary of unaudited management accounts for FY24:

Results summary (all numbers in millions)	30 Jun 24 Full year	30 Jun 23 Full year	Change YoY
Revenue ⁽¹⁾	\$11.426	\$11.443	-
EBITDA ⁽²⁾	\$1.796	\$0.903	99%
Net profit/(loss) after tax	\$0.584	(\$0.208)	380%
Cash flow from operating activities ⁽³⁾	\$1.881	\$0.768	145%
Auctions completed	767	686	12%
Total auction bid value	\$172.1	\$162.2	6%

(1) FY24 Revenue includes R&D offset income of \$646,831 (FY23 \$274,254). FY23 Revenue excludes \$50,000 from the sale of Embedded Networks.

(2) FY24 EBITDA includes R&D offset income of \$646,831 (FY23: \$274,254) and Impairment of Intangibles FY24 \$410,608 (FY23 \$353,219). FY23 EBITDA excludes \$50,000 from the sale of Embedded Networks and \$140,109 in costs associated with subsidiary deregistration.

(3) FY24 does not include FY24 R&D offset income as this was received after July 2024

Financial Performance

For the year ending 30 June 2024, Energy Action reported significant improvements in key financial metrics compared to FY23:

- **Revenue:** Energy Action recorded total revenue of \$11.426 million, a slight decline compared to the prior year when significant items are excluded, reflecting the Company's strategic focus on core business services. Revenue growth is a strategic focus, with the Company implementing near-term opportunities to grow revenues and the customer base.
- **EBITDA:** The Company's EBITDA increased substantially to \$1.796 million, a 99% increase, maintaining the steady continuing profit improvement seen in prior six-monthly reporting.
- **Net Profit:** Energy Action returned to profit with a statutory net profit after tax (NPAT) of \$0.584 million, a significant improvement from the previous year's losses, showcasing the effectiveness of cost management and operational efficiencies.
- **Operating Cash Flow:** The Company generated operating cash flow of \$1.881 million (excluding interest, tax, and significant items), driven by an increase in invoicing from contract assets, improved cash collections, and operational performance.
- **Debt Reduction and Deleveraging:** The Company successfully completed deleveraging transactions and debt negotiations including extension of facility termination dates. These activities, combined with scheduled principal payments, recategorised the CBA debt facility and Director subordinated debt as non-current, reducing debt to \$4.687 million in FY24 compared to \$6.989 million in FY23.
- **R&D Tax Incentive:** During FY24, Energy Action submitted a Research & Development (R&D) tax incentive offset of \$646,831, relating to the period 30 June 2023, with the cash being received in July 2024. For comparison, the FY22 R&D tax incentive offset was \$274,575, which was recognised and received in FY23. This R&D tax incentive offset further strengthens the Company's cash position and supports ongoing investments in technology.
- **Intangibles:** Consistent with our approach in FY23, Energy Action has evaluated the value in use of the Company's software assets. Based on this assessment, the Company has recorded an impairment expense of \$410,608 for the FY24 period.

Management Commentary

"Energy Action's FY24 financial performance is a testament to our team and their belief in our company," said Interim CEO Bruce Macfarlane. "This success reflects the disciplined execution of our strategies, including stabilising revenue, maintaining a sustainable cost base, and building our Utilibox technology. As we operate in a highly competitive environment, we recognise that revenue growth will require ongoing investments in sales and technology. Our continued focus on core services – energy procurement, emissions management, and supporting our customers' net-zero goals – positions us well for future growth. We remain committed to enhancing shareholder value by driving sales, reducing debt, and delivering sustainable returns."

About Energy Action

Energy Action Limited (ASX:EAX) provides Australian business customers services for: energy procurement and energy contract management; carbon emissions reporting and carbon trading, and solar PV procurement.

This announcement has been approved for release by the Board. For further information please contact:

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