

ASX Announcement

Positive Cash Flow and Increased Focus on Growth

Quarterly Activities Report for the three months ended 31 December 2024.

29 January 2025 (SYDNEY): Energy Action Limited (ASX:EAX) (the “Company” or “Energy Action”) provides this quarterly activities report for the three months ended 31 December 2024 (Q2 FY25), along with the Company’s Appendix 4C cash flow report. All figures are provided on an unaudited basis.

Q2 FY25 highlights

- **Positive Operating Cash flow:** Energy Action achieved a net operating cash inflow of \$1.08 million for the quarter ending 31 December 2024, with a cumulative total of \$1.41 million for the six months ending 31 December 2024.
- **R&D Rebate:** Ongoing FY24 investment in innovation led to receipt of the R&D Tax Incentive rebate this quarter.
- **Cash Position:** The Company closed the quarter with a cash balance of \$1.48 million, reflecting a 58% increase compared to the prior quarter.

Cash Flows

During the quarter, Energy Action’s receipts from customers totalled \$3.24 million with payments to suppliers totalling \$2.72 million, resulting in a net positive operating cash flow of \$0.52 million excluding the R&D rebate and financing costs. Financing costs paid during the quarter amounted to \$0.067 million. The R&D rebate of \$0.616 million was received from the ATO in December 2024 relating to costs expensed during the FY24 period. Total net cash from Operating Activities amounted to \$1.076 million.

Investing activities for the quarter incurred some necessary purchases of Property Plant and Equipment as well as further investment of employment costs into the Utilibox software asset. Utilibox being our AI-driven, energy and emissions management platform. Total spend on Investment Activities for the quarter amounted to \$0.186 million.

Cash flows relating to Financing Activities resulted in an outflow of \$0.345 million, with a repayment of borrowing made to Commonwealth Bank of Australia (CBA) earlier than required. The CBA automatically deducted this repayment due to an error in its direct debit setup, which was rectified in January 2025. The next scheduled repayment due to the CBA is April 2025. The repayment of lease liabilities of \$0.045 million for the quarter relates to the head office rental in Parramatta.

The closing cash balance as at 31 December 2024 has risen to \$1.48 million, up from previous quarters closing balance of \$0.935 million. Excluding the \$0.3 million early loan repayment, which occurred due to an error in the banks systems, the closing cash balance would have been \$1.78 million.

Financing facilities remain similar to prior quarter, with the loan from Commonwealth Bank of Australia (CBA) reducing by \$0.3 million during the quarter to \$2.45 million, however the \$0.3 million was still available to be redrawn with facility remaining at \$2.75 million. Loans from directors have increased with the accumulation of the interest component.

Pursuant to ASX Listing Rule 4.7C, as noted in Section 6.1 of the Company's Appendix 4C Cash flow Statement, payments made to related parties and their associates totals \$0.132 million for Q2 FY25 relating to Directors' remuneration and fees for consulting services.

Strategy Overview

Energy Action's revenue sources are unchanged in Q2 FY25 coming from the services we offer Australian business customers, which are:

1. Energy procurement and energy contract management
2. Carbon emissions reporting and carbon trading
3. Solar PV procurement

Our investments in sales, service capability, and technology are aligned with these services. We hold a competitive position in the energy services market and see near-term opportunities to grow our revenues and customer base. By continuing to invest in our AI-driven, energy and emissions management platform, Utilibox, we are enhancing our ability to deliver high-quality, innovative solutions that meet our customers' evolving needs.

Commenting on Q2 FY25, Energy Action's CEO, Derek Myers said:

"This quarter's operating cash flow demonstrates the strength of Energy Action's business model. We remain focused on efficient growth investments, leveraging technology and energy expertise to increase revenue."

This announcement has been approved for release by the Board.

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