

Sustained Positive Cash Flow and Debt Reduction

Quarterly Activities Report for the three months ended 30 June 2024.

24 July 2024 (SYDNEY): Energy Action Limited (ASX:EAX) (the “Company” or “Energy Action”) provides this quarterly activities report for the three months ended 30 June 2024 (Q4 FY24), along with the Company’s Appendix 4C cash flow report. All figures are provided on an unaudited basis.

Q4 FY24 highlights

- **Positive Cash Flow from Operating Activities:** Energy Action recorded a positive net cash flow from operating activities of \$0.66 million for the June quarter, bringing the year-to-date positive total to \$1.93 million.
- **Debt Reduction and Deleveraging:** The Company made a loan principal repayment of \$1.0 million to our financier, Commonwealth Bank of Australia (CBA), bringing year-to-date FY24 principal repayments to \$1.90 million. Energy Action successfully completed deleveraging transactions and debt extensions.
- **Closing Cash Position:** The Company's closing cash balance for the quarter stands at \$1.455 million, up from \$1.009 million in the previous quarter.

Cash Flows

Across the quarter, Energy Action has delivered improved financial performance with continued positive cash flow coupled with a significant debt reduction, and an increased cash balance.

Net cash flows from operations were positive \$0.66 million for the quarter, this is a 23% improvement on previous quarter. Cash receipts from customers in Q4 FY24 were \$3.6 million, an improved number to all three previous quarters. Cash payments to suppliers and employees in Q4 FY24 totalled \$2.83 million. Cash received from interest earned was \$0.009 million and payments of interest expense totalled \$0.11 million.

Capital expenditure of \$0.220 million was invested in Utilibox, Energy Action’s energy and emissions management software.

The Company undertook financing activities, including a 1-for-6 non-renounceable pro-rata entitlement offer, raising \$1.004 million. These funds were used to make a \$1 million principal repayment to the Commonwealth Bank of Australia (CBA). Additionally, an equity conversion reduced subordinated debt by \$0.770 million. This amount comprised \$0.670 million of existing subordinated debt, and \$0.102 million of new subordinated debt which was received during the quarter. The remaining subordinated debt of \$1.336 million continued to accumulate interest.

Pursuant to ASX Listing Rule 4.7C, as noted in Section 6.1 of the Company’s Appendix 4C Cashflow Statement, payments made to related parties and their associates totals \$0.078 million for Q4 FY24 relating to Directors’ remuneration and fees.

Strategy Overview

Energy Action's revenue sources are unchanged in Q4 FY24 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 Q4 FY24, Energy Action's Interim CEO, Bruce Macfarlane said:

"The operating cash flow results for this fourth quarter provide a positive view of our business. We continue to invest in technology, reduce debt, and focus on business growth."

"During the quarter, we completed a rights issue, using the proceeds to repay debt, and converted a portion of our subordinated debt to equity. These actions have reduced financing costs, strengthened our balance sheet, and shifted our debt commitment to non-current liabilities."

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

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