

Energy Action Limited
Appendix 4E
Preliminary final report

1. Company details

Name of entity:	Energy Action Limited
ABN:	90 137 363 636
Reporting period:	For the year ended 30 June 2024
Previous period:	For the year ended 30 June 2023

2. Results for announcement to the market

	2024	2023	Change	Change
	\$	\$	\$	%
Revenue from ordinary activities	11,426,602	11,492,851	(66,249)	-
Statutory profit/(loss) after tax attributable to the owners of Energy Action Limited	584,407	(298,475)	882,882	296%
Operating profit/(loss) after tax attributable to the owners of Energy Action Limited*	584,407	(208,366)	792,773	380%
Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA)	1,795,973	812,449	983,524	121%

* Operating profit/(loss) after tax is defined as Statutory profit/(loss) excluding significant items and is reported to give information to shareholders that provide a greater understanding of operating performance by removing significant items and facilitating a more representative comparison of performance between financial periods.

	2024	2023	Change	Change
	Cents	Cents	Cents	%
Basic earnings per share (Statutory)	1.9	(1.1)	3.0	273%
Diluted earnings per share (Statutory)	1.8	(1.1)	2.9	264%
Basic earnings per share (Operating)	1.9	(0.8)	2.7	338%
Diluted earnings per share (Operating)	1.8	(0.8)	2.6	325%

Reconciliation of profit / (loss) before income tax to EBITDA (unaudited):

	Consolidated	
	2024	2023
	\$	\$
Profit / (loss) before income tax	584,511	(298,456)
Finance costs	746,863	676,548
Depreciation	201,631	269,606
Amortisation	262,968	164,751
EBITDA	<u>1,795,973</u>	<u>812,449</u>

A reconciliation of the consolidated entity's Statutory profit/(loss) to Operating profit/(loss) after tax and EBITDA is shown in the table below:

	Profit/(loss) after tax		EBITDA	
	30 June 2024	30 June 2023	30 June 2024	30 June 2023
	\$	\$	\$	\$
Statutory profit/(loss) after tax	584,407	(298,475)	1,795,973	812,449
Add back significant items:				
Proceeds received on sale of embedded networks	-	(50,000)	-	(50,000)
Deregistration of subsidiaries	-	140,109	-	140,109
Operating profit/(loss) after tax	<u>584,407</u>	<u>(208,366)</u>	<u>1,795,973</u>	<u>902,558</u>

Dividends

There were no dividends paid, recommended or declared during the current financial period.

Comments

The profit for the consolidated entity after providing for income tax amounted to \$584,407 (30 June 2023: loss of \$298,475).

Statutory profit after tax of \$584,407 has increased by \$882,882 as compared to the FY23 Statutory loss of \$298,475. This is due to a decrease in revenues coupled with effective cost management and operational efficiencies resulting in lower expenditure.

In FY24, revenues declined across the Energy Buying, Energy Management, and Other income. Additionally, the Embedded Networks business, which was disposed of in FY23, no longer contributed to revenue. Other income increased due to a higher Research and Development offset income compared to the previous year. It is also noteworthy that last year's Other Income included proceeds from the sale of the Embedded Networks business.

Expenditure reductions were seen across a broad range of the categories, however notable decreases in Employee benefits expense, Subscriptions and Channel Partner Rebates offset with increases in Contractors and Legal and Professional Fees. Costs in prior year associated with derecognition of subsidiaries were not repeated this financial year. An impairment was made in FY24 based on the value in use of the Utilibox software asset.

3. Net tangible assets

	Reporting period Cents	Previous period Cents
Net tangible assets per ordinary security	3.98	(2.24)

4. Control gained over entities

Not applicable.

5. Loss of control over entities

Not applicable.

6. Dividends

Current period

There were no dividends paid, recommended or declared during the current financial period.

Previous period

There were no dividends paid, recommended or declared during the previous financial period.

7. Dividend reinvestment plans

Not applicable.

8. Details of associates and joint venture entities

Not applicable.

9. Foreign entities

Details of origin of accounting standards used in compiling the report:

Not applicable.

10. Audit statement

An audit of the consolidated financial statements is currently in progress.

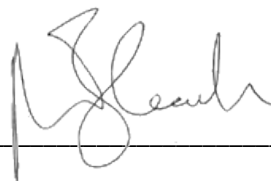
The Directors anticipate the possibility that the audit report may be modified in respect of going concern.

11. Attachments

Details of attachments (if any):

The Appendix 4E - Preliminary Final Report of Energy Action Limited for the year ended 30 June 2024 is attached.

12. Signed

Signed  _____
Murray Bleach
Director

Date: 30th August 2024

Energy Action Limited
Corporate directory
30 June 2024

Directors	Murray Bleach - Non-Executive Chairman Paul Meehan - Non-Executive Director Bruce Macfarlane - Executive Director and Interim CEO Derek Myers - Non-Executive Director Caroline Wykamp - Non-Executive Director (appointed 1 September 2023)
Company secretary	Dray Andrea
Annual general meeting	Date of annual general meeting: 19 November 2024 Closing date for director nominations: 1 October 2024
Registered office and principal place of business	Level 5, 56 Station Street Parramatta NSW 2150
Share register	Link Market Services Limited Level 12 680 George Street Sydney NSW 2000
Auditor	RSM Australia Partners Level 13, 60 Castlereagh Street Sydney NSW 2000
Solicitors	DLA Piper No 1 Martin Place Sydney NSW 2000
Bankers	Commonwealth Bank of Australia Level 3, 101 George Street Parramatta NSW 2150
Stock exchange listing	Energy Action Limited shares are listed on the Australian Securities Exchange (ASX code: EAX)
Corporate Governance Statement	https://energyaction.com.au/about/corporate-governance/

Energy Action Limited
Consolidated statement of profit or loss and other comprehensive income
For the year ended 30 June 2024

		Consolidated	
	Note	2024	2023
		\$	restated
		\$	\$
Revenue	5	10,779,771	11,168,597
Other income	6	646,831	324,254
Total revenue		<u>11,426,602</u>	<u>11,492,851</u>
Expenses			
Accounting, audit and tax fees		(159,599)	(209,344)
Advertising		(169,570)	(328,319)
Channel partners rebates		(271,388)	(394,559)
Computer maintenance		(577,545)	(660,959)
Consultancy		(151,074)	(126,675)
Contractors		(956,485)	(705,260)
Costs associated with derecognition of subsidiaries		-	(140,109)
Depreciation and amortisation expense	7	(464,599)	(434,357)
Employee benefits expense		(5,281,083)	(5,869,766)
Impairment of intangibles	12	(410,608)	(353,219)
Insurance		(222,036)	(227,106)
Legal and professional fees		(355,391)	(124,212)
Payroll tax		(247,888)	(304,260)
Recruitment		(112,931)	(154,475)
Short-term leases, outgoings and make-good provision	7	(261,856)	(373,019)
Subscriptions		(46,071)	(149,647)
Other expenses		(407,104)	(559,473)
Finance costs	7	(746,863)	(676,548)
Total expenses		<u>(10,842,091)</u>	<u>(11,791,307)</u>
Profit/(loss) before income tax expense		584,511	(298,456)
Income tax expense		<u>(104)</u>	<u>(19)</u>
Profit/(loss) after income tax expense for the year attributable to the owners of Energy Action Limited		584,407	(298,475)
Other comprehensive income for the year, net of tax		<u>-</u>	<u>-</u>
Total comprehensive income for the year attributable to the owners of Energy Action Limited		<u><u>584,407</u></u>	<u><u>(298,475)</u></u>
		Cents	Cents
Basic earnings per share	21	1.9	(1.1)
Diluted earnings per share	21	1.8	(1.1)

Refer to note 3 for detailed information on Restatement of comparatives.

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

Energy Action Limited
Consolidated statement of financial position
As at 30 June 2024

	Note	Consolidated 2024 \$	2023 \$
Assets			
Current assets			
Cash and cash equivalents	8	1,447,286	1,397,164
Trade and other receivables	9	1,567,501	1,221,605
Contract assets	10	3,605,986	3,182,359
Other		139,846	146,648
Total current assets		6,760,619	5,947,776
Non-current assets			
Contract assets	10	2,667,994	2,570,126
Plant and equipment		36,546	30,997
Right-of-use assets	11	175,033	354,098
Intangibles	12	800,000	676,153
Other		8,358	49,315
Total non-current assets		3,687,931	3,680,689
Total assets		10,448,550	9,628,465
Liabilities			
Current liabilities			
Trade and other payables	13	2,611,797	1,563,673
Contract liabilities	14	147,679	210,522
Borrowings	15	900,000	2,712,719
Lease liabilities	16	194,182	185,158
Income tax		136	32
Provisions	17	422,915	454,978
Total current liabilities		4,276,709	5,127,082
Non-current liabilities			
Borrowings	15	3,786,580	4,277,275
Lease liabilities	16	-	194,182
Provisions	17	51,392	54,032
Total non-current liabilities		3,837,972	4,525,489
Total liabilities		8,114,681	9,652,571
Net assets/(liabilities)		2,333,869	(24,106)
Equity			
Issued capital	18	9,111,474	7,337,906
Reserves		6,723,064	6,723,064
Accumulated losses		(13,500,669)	(14,085,076)
Total equity/(deficit)		2,333,869	(24,106)

The above consolidated statement of financial position should be read in conjunction with the accompanying notes

Energy Action Limited
Consolidated statement of changes in equity
For the year ended 30 June 2024

	Issued capital \$	Dividend profit reserve \$	Foreign currency translation reserve \$	Accumulated losses \$	Total deficiency in equity \$
Consolidated					
Balance at 1 July 2022	6,837,906	6,723,064	3,702	(13,930,408)	(365,736)
Loss after income tax expense for the year	-	-	-	(298,475)	(298,475)
Other comprehensive income for the year, net of tax	-	-	-	-	-
Total comprehensive income for the year	-	-	-	(298,475)	(298,475)
<i>Transactions with owners in their capacity as owners:</i>					
Contributions of equity, net of transaction costs (note 18)	500,000	-	-	-	500,000
Transfer to foreign currency translation reserve	-	-	(3,702)	3,702	-
Removal of accumulated losses on deregistration of subsidiaries*	-	-	-	140,105	140,105
Balance at 30 June 2023	7,337,906	6,723,064	-	(14,085,076)	(24,106)

* During the year ended 30 June 2023, the following wholly-owned subsidiaries were deregistered:

- Energy Advice Pty Limited
- Eactive Consulting Pty Limited
- Ward Consulting Services (NSW) Pty Limited
- ACN 087 790 770 Pty Limited

	Issued capital \$	Dividend profit reserve \$	Foreign currency translation reserve \$	Accumulated losses \$	Total equity \$
Consolidated					
Balance at 1 July 2023	7,337,906	6,723,064	-	(14,085,076)	(24,106)
Profit after income tax expense for the year	-	-	-	584,407	584,407
Other comprehensive income for the year, net of tax	-	-	-	-	-
Total comprehensive income for the year	-	-	-	584,407	584,407
<i>Transactions with owners in their capacity as owners:</i>					
Contributions of equity, net of transaction costs (note 18)	1,773,568	-	-	-	1,773,568
Balance at 30 June 2024	9,111,474	6,723,064	-	(13,500,669)	2,333,869

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes

Energy Action Limited
Consolidated statement of cash flows
For the year ended 30 June 2024

		Consolidated	
	Note	2024	2023
		\$	\$
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		11,597,717	11,452,295
Payments to suppliers and employees (inclusive of GST)		(9,182,057)	(10,534,526)
Interest received		2,415,660	917,769
Research & Development offset income		28,505	18,652
Interest and other finance costs paid		-	274,254
		(562,759)	(442,584)
Net cash from operating activities		1,881,406	768,091
Cash flows from investing activities			
Payments for property, plant and equipment		(28,115)	(6,721)
Payments for intangibles	12	(797,423)	(706,442)
Proceeds from disposal of embedded networks business		-	50,000
Net cash used in investing activities		(825,538)	(663,163)
Cash flows from financing activities			
Proceeds from issue of shares	18	1,003,786	500,000
Share issue transaction costs		(24,374)	-
Proceeds from borrowings		100,000	-
Repayment of lease liability		(185,158)	(317,410)
Repayment of borrowings		(1,900,000)	(750,000)
Net cash used in financing activities		(1,005,746)	(567,410)
Net increase/(decrease) in cash and cash equivalents		50,122	(462,482)
Cash and cash equivalents at the beginning of the financial year		1,397,164	1,859,646
Cash and cash equivalents at the end of the financial year	8	1,447,286	1,397,164

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes

Note 1. Material accounting policy information

The accounting policies adopted in the preparation of the financial statements are consistent with those of the previous financial year.

Statement of compliance

This preliminary final report (the Report) is to be read in conjunction with any public announcements made by Energy Action Limited during the reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001 and Australian Securities Exchange Listing Rules.

The preliminary final report has been prepared in accordance with Australian Accounting Standards (AASBs) adopted by the Australian Accounting Standards Board and the Corporations Act 2001.

The Report is presented in Australian dollars, which is the functional currency of Energy Action Limited and its controlled entities and has been prepared on the basis of historical cost except in accordance with relevant accounting policies where assets and liabilities are stated at their fair values.

Note 2. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Provision for cancellation

Auction contracts provide a customer with a right to cancel during the contract period. A provision is raised against contract assets that are estimated to be cancelled by the customer (refer note 10). The assessment of historical cancellations is reviewed at each reporting period and the provision is revised accordingly. At 30 June 2024, the consolidated entity estimates cancellation of auction revenue during the contract period of approximately 5.74% (2023: 10.13%) based on the last 2 years of history, in addition to specific provisions for certain aged items.

Allowance for expected credit losses

The allowance for expected credit losses assessment requires a degree of estimation and judgement. It is based on the lifetime expected credit loss, grouped based on days overdue, and makes assumptions to allocate an overall expected credit loss rate for each group. These assumptions include recent sales experience and historical collection rates.

Estimation of useful lives of assets

The consolidated entity determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

Employee benefits provision

The liability for employee benefits expected to be settled more than 12 months from the reporting date are recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

Note 2. Critical accounting judgements, estimates and assumptions (continued)

Lease make good provision

A provision has been made for the present value of anticipated costs for future restoration of leased premises. The provision includes future cost estimates associated with closure of the premises. The calculation of this provision requires assumptions such as application of closure dates and cost estimates. The provision recognised for each site is periodically reviewed and updated based on the facts and circumstances available at the time. Changes to the estimated future costs for sites are recognised in the statement of financial position by adjusting the asset and the provision. Reductions in the provision that exceed the carrying amount of the asset will be recognised in profit or loss.

Note 3. Restatement of comparatives

Reclassification

The expenses in the statement of profit or loss for the year ended 30 June 2023 were presented by function in some instances and by nature in other instances (a mixed basis of classification). For the year ended 30 June 2024, to achieve a consistent basis of classification of expenses as required by AASB 101: *Financial Statement Presentation*, the Company has presented all expenses by nature in the statement of profit or loss. To establish comparability, the expenses for the year ended 30 June 2023 have been reclassified to reflect the change in presentation.

Note 3. Restatement of comparatives (continued)

Statement of profit or loss and other comprehensive income

	Consolidated		
	2023		2023
	\$	\$	\$
	Reported	Adjustment	Restated
Revenue	11,168,597	-	11,168,597
Other income	324,254	-	324,254
Expenses			
Accounting, audit and tax fees	-	(209,344)	(209,344)
Advertising	-	(328,319)	(328,319)
Channel partners rebates	-	(394,559)	(394,559)
Computer maintenance	-	(660,959)	(660,959)
Consultancy	-	(126,675)	(126,675)
Contractors	-	(705,260)	(705,260)
Costs associated with derecognition of subsidiaries	(140,109)	-	(140,109)
Depreciation and amortisation expense	(434,357)	-	(434,357)
Employee benefits expense	(6,973,852)	1,104,086	(5,869,766)
Impairment of intangibles	(353,219)	-	(353,219)
Insurance	-	(227,106)	(227,106)
Legal and professional fees	-	(124,212)	(124,212)
Payroll tax	-	(304,260)	(304,260)
Recruitment	-	(154,475)	(154,475)
Short-term leases, outgoings and make-good provision	(373,019)	-	(373,019)
Subscriptions	-	(149,647)	(149,647)
Other expenses	-	(559,473)	(559,473)
Finance costs	(676,548)	-	(676,548)
Cost of sales	(418,468)	418,468	-
Travel costs	(31,306)	31,306	-
Administration expenses	(2,390,429)	2,390,429	-
Loss before income tax expense	(298,456)	-	(298,456)
Income tax expense	(19)	-	(19)
Loss after income tax expense for the year attributable to the owners of Energy Action Limited	(298,475)	-	(298,475)
Other comprehensive income for the year, net of tax	-	-	-
Total comprehensive income for the year attributable to the owners of Energy Action Limited	(298,475)	-	(298,475)
	Cents	Cents	Cents
	Reported	Adjustment	Restated
Basic earnings per share	(1.1)	-	(1.1)
Diluted earnings per share	(1.1)	-	(1.1)

Statement of financial position at the beginning of the earliest comparative period

When there is a restatement of comparatives, it is mandatory to provide a third statement of financial position at the beginning of the earliest comparative period, being 1 July 2022. However, as there were no adjustments made as at 1 July 2022, the consolidated entity has elected not to show the 1 July 2022 statement of financial position.

Note 4. Operating segments

Identification of reportable operating segments

The consolidated entity has identified one reportable operating segment, which provides electricity and gas procurement services, energy management and retail billing services in Australia. As the consolidated entity operates in only one segment, the consolidated results are also its segment results.

Major customers

All revenue of the consolidated entity is from external customers. During the current and prior financial periods, there were no transactions with a single external customer that amounted to 10 per cent or more of the consolidated entity's revenues.

Note 5. Revenue

	Consolidated	
	2024	2023
	\$	\$
<i>Revenue from contracts with customers</i>		
Energy buying	5,922,251	5,975,083
Energy management	4,857,520	5,121,001
Embedded networks	-	42,429
	<u>10,779,771</u>	<u>11,138,513</u>
<i>Other revenue</i>		
Other	-	30,084
Revenue	<u>10,779,771</u>	<u>11,168,597</u>

Note 6. Other income

	Consolidated	
	2024	2023
	\$	\$
Research & Development offset income	646,831	274,254
Proceeds received on sale of embedded networks	-	50,000
Other income	<u>646,831</u>	<u>324,254</u>

Note 7. Expenses

	Consolidated	
	2024	2023
	\$	\$
Profit/(loss) before income tax includes the following specific expenses:		
<i>Depreciation</i>		
Furniture and fittings	530	1,034
Computer equipment	22,036	45,150
Buildings right-of-use assets	179,065	223,422
Total depreciation	201,631	269,606
<i>Amortisation</i>		
Software development	262,968	164,751
Total depreciation and amortisation	464,599	434,357
<i>Finance costs</i>		
Interest and finance charges paid/payable on borrowings	710,785	630,207
Interest and finance charges paid/payable on lease liabilities	21,089	37,680
Borrowing costs	44,404	27,313
Interest income	(29,415)	(18,652)
Finance costs expensed	746,863	676,548
<i>Short-term leases, outgoings and make-good provision</i>		
Short-term lease payments	54,910	70,852
Make-good provision	75,000	177,200
Outgoings	88,264	71,815
Parking	43,682	53,152
Total short-term leases, outgoings and make-good provision	261,856	373,019
<i>Superannuation expense</i>		
Defined contribution superannuation expense	547,766	601,281

Note 8. Cash and cash equivalents

	Consolidated	
	2024	2023
	\$	\$
<i>Current assets</i>		
Cash at bank	1,439,802	1,389,917
Restricted cash*	7,484	7,247
	1,447,286	1,397,164

* Restricted cash refers to cash held in Energy Action Employee Share Trust, a subsidiary company used to manage employee equity plans as well as cash bank guarantees held by the bank.

Note 9. Trade and other receivables

	Consolidated	
	2024	2023
	\$	\$
<i>Current assets</i>		
Trade receivables	1,120,390	1,461,091
Less: Allowance for expected credit losses	(199,720)	(239,486)
	<u>920,670</u>	<u>1,221,605</u>
Research & Development grant receivable	646,831	-
	<u>1,567,501</u>	<u>1,221,605</u>

Note 10. Contract assets

	Consolidated	
	2024	2023
	\$	\$
<i>Current assets</i>		
Contract assets	3,821,516	3,541,115
Less: provision for cancellation	(215,530)	(358,756)
	<u>3,605,986</u>	<u>3,182,359</u>
<i>Non-current assets</i>		
Contract assets	2,834,185	2,859,894
Less: provision for cancellation	(166,191)	(289,768)
	<u>2,667,994</u>	<u>2,570,126</u>
	<u>6,273,980</u>	<u>5,752,485</u>

Reconciliation

Reconciliation of the written down values at the beginning and end of the current and previous financial year are set out below:

Opening balance	5,752,485	4,585,873
Additions	6,255,748	5,132,737
Transfer to trade receivables	(5,734,253)	(3,966,125)
Closing balance	<u>6,273,980</u>	<u>5,752,485</u>

Note 11. Right-of-use assets

	Consolidated	
	2024	2023
	\$	\$
<i>Non-current assets</i>		
Land and buildings - right-of-use	670,266	670,266
Less: Accumulated depreciation	(495,233)	(316,168)
	<u>175,033</u>	<u>354,098</u>

Energy Action Limited
Notes to the consolidated financial statements
30 June 2024

Note 11. Right-of-use assets (continued)

Reconciliations

Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

	Land and buildings \$
Consolidated	
Balance at 1 July 2022	52,421
Additions	525,099
Depreciation expense	(223,422)
Balance at 30 June 2023	354,098
Depreciation expense	(179,065)
Balance at 30 June 2024	<u>175,033</u>

Note 12. Intangibles

	Consolidated	
	2024	2023
	\$	\$
<i>Non-current assets</i>		
Software development - at cost	14,645,445	13,848,022
Less: Accumulated amortisation	(7,095,917)	(6,832,949)
Less: Impairment	(6,749,528)	(6,338,920)
	800,000	676,153

Reconciliations

Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

	Software development \$
Consolidated	
Balance at 1 July 2022	487,681
Additions	706,442
Impairment of assets	(353,219)
Amortisation expense	(164,751)
Balance at 30 June 2023	676,153
Additions	797,423
Impairment of assets	(410,608)
Amortisation expense	(262,968)
Balance at 30 June 2024	<u>800,000</u>

Note 13. Trade and other payables

	Consolidated	
	2024	2023
	\$	\$
<i>Current liabilities</i>		
Trade payables	745,596	598,663
BAS payable	(22,389)	28,358
Commissions payable	285,238	225,999
Rebates to channel partners	900,853	185,118
Interest payable	57,532	74,010
Accrued expenses	546,241	343,344
Other payables	98,726	108,181
	<u>2,611,797</u>	<u>1,563,673</u>

Note 14. Contract liabilities

	Consolidated	
	2024	2023
	\$	\$
<i>Current liabilities</i>		
Contract liabilities	147,679	210,522

Note 15. Borrowings

	Consolidated	
	2024	2023
	\$	\$
<i>Current liabilities</i>		
Market rate loan facility - CBA	900,000	2,750,000
Less capitalised debt establishment fees	-	(37,281)
	<u>900,000</u>	<u>2,712,719</u>
<i>Non-current liabilities</i>		
Market rate loan facility - CBA	2,450,000	2,500,000
Loans from Directors	1,336,580	1,777,275
	<u>3,786,580</u>	<u>4,277,275</u>
	<u>4,686,580</u>	<u>6,989,994</u>

Market rate loan facility - CBA

During the year, the market rate loan facility agreement was amended twice to include the following changes:

Seventh Amendment dated 2 November 2023

- (1) The repayment of \$1.5 million due on 31 August 2023 was removed.
- (2) The repayment schedule was revised to \$300,000 per quarter with first repayment due 30 September 2023.
- (3) The requirement to hold an aggregate balance of \$1 million at all times was revised to \$700,000.
- (4) Where cash balances held exceed \$1.5 million in a quarter, the excess funds are to be repaid to the bank.
- (5) The requirement to ensure that Operating Expenditure does not exceed 90% of the total Revenue of the group for the financial year.
- (6) Updated gearing ratios and interest cover ratios.

Note 15. Borrowings (continued)

Eighth Amendment dated 24 June 2024

- (1) The facility final repayment date was extended from 31 December 2024 to 31 March 2026.
- (2) The repayment schedule was altered after the 31 March 2024 repayment, to \$300,000 repayment in the last weeks of November, February, April & August each year commencing November 2024.
- (3) The requirement to hold an aggregate balance of \$700,000 at all times was revised to \$500,000.
- (4) Removed the requirement to repay the bank the excess where cash balances held exceed \$1.5 million in a quarter.
- (5) Updated gearing ratios and interest cover ratios.
- (6) Requirement that EBITDA in respect of each 12 month period up to the calculation date is at least equal to or greater than \$1 million. The calculation date is at the end of each quarter.

Assets pledged as security

The CBA facility is secured by a first-ranking charge over the consolidated entity's assets.

Loans from Directors

During the year ended 30 June 2023, a subordinated loan of \$0.5 million was received from Mr Derek Myers, attached to 3,125,000 warrants which were available to be converted to ordinary shares at the exercise price of \$0.16 per share. The warrants had an expiry date of 30 June 2023 and if they were not exercised would convert into an interest bearing loan from 1 July 2023 at the rate of 6% p.a quarterly in arrears. On 29 June 2023, Mr Derek Myers exercised the warrants and 3,125,000 ordinary shares were issued on this date (note 18), the \$0.5 million was not converted into a loan.

On 27 June 2024, 3,336,428 and 512,480 ordinary shares were issued to Bruce Macfarlane and Derek Myers respectively to settle loans from Directors totalling \$769,782 (refer note 18).

Details of the loans from Directors in place throughout the financial year are as follows:

- A loan of \$500,000 from Bleach Family Co was received on 31 January 2022 and was due to expire on 1 May 2025, however the lender has agreed to be extend this to 1 May 2026. The loan is unsecured and accrues interest at 12% p.a daily, payable on expiration of the loan. At 30 June 2024 the loan balance was \$668,164 (2023: \$592,425).
- A loan of \$500,000 from Meehans Business was received on 31 January 2022 and was due to expire on 1 May 2025, however the lender has agreed to be extend this to 1 May 2026. The loan is unsecured and accrues interest at 12% p.a daily, payable on expiration of the loan. At 30 June 2024 the loan balance was \$668,164 (2023: \$592,425).
- A loan of \$500,000 from Millar & Macfarlane Pty Ltd was received on 31 January 2022 and was due to expire on 1 May 2025. The loan is unsecured and accrues interest at 12% p.a daily, payable on expiration of the loan. On 27 June 2024, 3,336,428 shares were issued to repay the loan and accrued interest on that date totalling \$667,286. At 30 June 2024 the loan balance was \$219 (2023: \$592,425).
- A loan of \$100,000 from Derek Myers was received on 12 April 2024 and was due to expire on 1 May 2026. The loan was unsecured and accrued interest at 12% p.a daily, payable on expiration of the loan. On 27 June 2024, 512,480 shares were issued to repay the loan and accrued interest on that date totalling \$102,496. At 30 June 2024 the loan balance was \$33.

Note 16. Lease liabilities

	Consolidated	
	2024	2023
	\$	\$
<i>Current liabilities</i>		
Lease liability	194,182	185,158
<i>Non-current liabilities</i>		
Lease liability	-	194,182
	<u>194,182</u>	<u>379,340</u>

Note 16. Lease liabilities (continued)

The Company holds a lease in Parramatta, NSW. The Company also previously held a lease in Melbourne, which expired in July 2023. The Parramatta lease commenced in July 2022 and expires in June 2025. Monthly rent of \$16,423, excluding outgoings, was payable under the lease agreement throughout the year ended 30 June 2024.

Note 17. Provisions

	Consolidated	
	2024	2023
	\$	\$
<i>Current liabilities</i>		
Annual leave	178,145	175,531
Long service leave	57,852	73,944
Lease make good	186,918	205,503
	<u>422,915</u>	<u>454,978</u>
<i>Non-current liabilities</i>		
Long service leave	51,392	54,032
	<u>474,307</u>	<u>509,010</u>

Accounting policy for provisions

Provisions are recognised when the consolidated entity has a present (legal or constructive) obligation as a result of a past event, it is probable the consolidated entity will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. If the time value of money is material, provisions are discounted using a current pre-tax rate specific to the liability. The increase in the provision resulting from the passage of time is recognised as a finance cost.

Note 18. Issued capital

	Consolidated			
	2024	2023	2024	2023
	Shares	Shares	\$	\$
Ordinary shares - fully paid	38,981,441	30,113,600	9,111,474	7,337,906

Movements in ordinary share capital

Details	Date	Shares	Issue price	\$
Balance	1 July 2022	26,988,600		6,837,906
Shares issues - convertible note (note 15)	29 June 2023	3,125,000	\$0.16	500,000
Balance	30 June 2023	30,113,600		7,337,906
Issue of shares under 1 for 6 entitlement offer (a)	13 May 2024	5,018,933	\$0.20	1,003,786
Debt conversion (b)	27 June 2024	3,848,908	\$0.20	769,782
Balance	30 June 2024	<u>38,981,441</u>		<u>9,111,474</u>

Movements in share capital

Note 18. Issued capital (continued)

(a) Issue of shares under 1 for 6 entitlement offer

On 13 May 2024, 5,018,933 ordinary shares were issued under a 1 for 6 non-renounceable pro-rata entitlement offer to raise \$1,003,786. The entitlement offer was partially underwritten by Derek Myers (Director) and Webzone Holdings Pty Limited up to \$645,875 or 3,229,377 shares. Upon completion of the entitlement offer, 2,316,044 shares not taken up by eligible shareholders were placed with the underwriters.

(b) Debt conversion

On 27 June 2024, 3,336,428 and 512,480 ordinary shares were issued to the Directors Bruce Macfarlane and Derek Myers respectively to settle loans from Directors totalling \$769,782 (refer note 15).

Note 19. Interests in subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in note 1:

Name	Principal place of business / Country of incorporation	Ownership interest	
		2024 %	2023 %
Energy Action (Australia) Pty Limited	Australia	100%	100%
Employee Share Trust	Australia	100%	100%
Energy Action Trading Pty Ltd (formerly EAIP Pty Limited)	Australia	100%	100%
Exergy Holdings Pty Limited	Australia	100%	100%
Exergy Australia Pty Limited*	Australia	100%	100%

* Subsidiary of Exergy Holdings Pty Limited

Note 20. Events after the reporting period

No matter or circumstance has arisen since 30 June 2024 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

Note 21. Earnings per share

	Consolidated	
	2024 \$	2023 \$
Profit/(loss) after income tax attributable to the owners of Energy Action Limited	584,407	(298,475)
	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	30,793,624	27,005,723
Adjustments for calculation of diluted earnings per share:		
Performance rights over ordinary shares	1,410,671	-
Weighted average number of ordinary shares used in calculating diluted earnings per share	32,204,295	27,005,723
	Cents	Cents
Basic earnings per share	1.9	(1.1)
Diluted earnings per share	1.8	(1.1)

Performance rights are considered to be potential ordinary shares but were anti-dilutive in nature for the previous financial year and were not included in the calculation of diluted earnings per share.