

APPENDIX 4D – HALF YEAR REPORT YEAR ENDED 31 DECEMBER 2023

Energy Action Limited (ASX: EAX) – ACN 137 363 636

1. Results for announcement to the market

The directors present this Appendix 4D on the consolidated entity (referred to as the 'Group') consisting of Energy Action Limited (referred to as the 'Company' or 'parent entity') and the entities it controlled at the end of, or during, the half-year ended 31 December 2023.

	% change	6 months to 31 Dec 2023	6 months to 31 Dec 2022
Revenue from ordinary activities	-5%	\$5,708,401	\$6,016,067
Statutory profit/ (loss) after tax attributable to members	N/A	\$427,622	(\$407,484)
Operating profit/ (loss) after tax attributable to members	N/A	\$427,622	(\$265,875)
Refer to section 3 for an explanation of Statutory vs Operating Profit			
Basic profit/ (loss) per share (Statutory)	N/A	1.42c	(1.51c)
Diluted profit/ (loss) per share (Statutory)	N/A	1.42c	(1.51c)
Basic earnings/ (loss) per share (Operating)	N/A	1.42c	(0.99c)
Diluted earnings/ (loss) per share (Operating)	N/A	1.42c	(0.99c)

2. 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.

3. Brief Explanation of Statutory and Operating Profit per share

Statutory Profit / (Loss) and Statutory Earnings/ (Loss) per share are prepared in accordance with Australian Accounting Standards and the Corporations Act.

Statutory profit after tax for the half year was \$427,622 compared to a statutory loss after tax of (\$407,484) in the prior corresponding period (pcp).

Operating Profit is reported to give information to shareholders that provides a greater understanding of operating performance by removing Significant Items and therefore facilitating a more representative comparison of performance between financial periods. Further details are included in the Directors Report.

4. Net tangible assets

	31 December 2023	30 June 2023
Net tangible assets per share [^]	(\$0.03)	(\$0.04)

[^] Net tangible assets totalling (\$0.8M) as at 31 December 2023 (\$1.05M) as at 30 June 2023).
This excludes internally generated software of \$0.95M (June 23 \$0.67M) and Right of Use assets of \$0.26M (June 23 \$0.35M)

5. Auditors Report

An unqualified, signed Review Opinion is included within the attached Financial Report and contains a paragraph in relation to a material uncertainty related to going concern.

All other information required to be disclosed by Energy Action Limited in the Appendix 4D is either not applicable or has been included in the attached Financial Report.

Please also refer to the ASX results announcement and results presentation.

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Energy Action Limited

ABN: 90 137 363 636

Financial Report for The Half Year
Ended 31 December 2023

Corporate information

ACN: 137 363 636

Directors

Murray Bleach - Non-Executive and Chairman
Paul Meehan – Non-Executive Director
Bruce Macfarlane – Executive Director and Interim CEO
Derek Myers – Non-Executive Director (appointed 21 June 2023)
Caroline Wykamp – Non-Executive Director (appointed 1 September 2023)

Company Secretary

Dray Andrea

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

Energy Action Limited shares (EAX) are listed on the Australian Securities Exchange (ASX)

Solicitors

DLA Piper
No 1 Martin Place
Sydney NSW 2000

Bankers

Commonwealth Bank of Australia
Level 3, 101 George Street
Parramatta NSW 2150

Auditors

RSM Australia Partners
Level 13, 60 Castlereagh Street
Sydney, NSW 2000

Financial Report for the Half Year Ended

31 December 2023

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Directors' Report

Your Directors present their report, together with the financial statements for Energy Action Limited (the "Company") and its consolidated entities (the "Group"), for the half-year ended 31 December 2023. In order to comply with the provisions of the Corporations Act 2001, the directors report as follows:

Directors

The names of the directors of the company during or since the end of the half-year and up to the date of this report, unless otherwise stated are:

Name

Murray Bleach	Non-Executive Director and 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)

Principal activities

Energy Action offers Australian business customers energy and carbon emissions procurement and management services. Our three core revenue streams are energy procurement, energy management, and solar PV.

- **Energy Procurement** – Broking or consulting using a range of procurement methodologies including auctions, tenders, progressive and structured purchasing, corporate power purchase agreements.
- **Energy Management** – Managed client energy contracts and environmental reporting, including account management, liaison with their retailer, validating their bill, ensuring the right tariff, and helping them to understand how they are using energy and their emissions profile.
- **Solar PV** - Sourcing and contracting of solar project suppliers for business customers looking to implement solar solutions.

The services are supported by Energy Action's proprietary software solution, Utilibox, an energy and emissions management platform designed to transform energy data.

A historical segment was Embedded Networks. This segment was sold in April 2022, and the full assignment of Embedded Networks customer was completed in February 2023.

Review and results of operations

The Group realised a statutory net profit after tax for the half year of \$427,622 (1H FY23: loss of (\$407,484) for prior corresponding period (pcp)).

During the 6 months to 31 December 2023, the Group continued to focus on delivering energy and carbon procurement auctions, and energy management systems to Australian businesses. There is a continued focus on using technology to deliver services effectively and increase value to customers. Ongoing cost management throughout this period, coupled with the exclusion of revenue from the divested embedded networks business, has led to an improved statutory net profit after tax compared to the previous corresponding period, thus establishing a solid baseline for our future results.

Readers of the accounts should also review the half year results presentation and the letter from the Interim CEO, Mr Bruce Macfarlane which have both been lodged with the ASX on 28 February 2024 for further detail on the review of operations.

Significant changes in the state of affairs

As of 2 November 2023, the Group revised its Facility Agreement with Commonwealth Bank of Australia (CBA) resulting in several key changes to its debt structure as part of ongoing financial management efforts. The Group agreed to increase quarterly repayment obligations from \$250,000 to \$300,000 with these repayments backdated to start from September 2023. The final repayment date remains at 31 December 2024. Financial covenants have been updated to reflect the new terms. To further align with the Group's liquidity strategy, additional repayments will be triggered when quarter-end cash balances exceed \$1.5 million. The Group has also successfully negotiated a lowering of the minimum cash balance requirement from \$1 million to \$0.7 million, enhancing cash flow flexibility.

No other matters or circumstances have arisen since the end of the half-year which significantly affected or could significantly affect the operations of the consolidated group, the results of those operations, or the state of affairs of the consolidated group in future financial years.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this directors' report.

This report is made in accordance with a resolution of directors, pursuant to section 306(3)(a) of the Corporations Act 2001.

On behalf of the directors



Murray Bleach

Chairman

Dated: 28 February 2024

RSM Australia Partners

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AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of the financial report of Energy Action Limited for the half year ended 31 December 2023, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- (ii) any applicable code of professional conduct in relation to the review.



RSM AUSTRALIA PARTNERS



Cameron Hume
Partner

Sydney, NSW

Dated: 28 February 2024

Financial Statements

Condensed Consolidated Statement of Comprehensive Income

For the half year ended 31 December 2023

	Note	Consolidated Group	
		1H FY24 6 Months to Dec 23	1H FY23 6 Months to Dec 22
		\$	\$
Sales Revenue	3.1	5,708,401	5,985,985
Other Revenue	3.2	-	30,082
Total Revenue		5,708,401	6,016,067
Cost of goods and services sold		(213,089)	(303,806)
Employee benefits expense	4.1	(3,438,270)	(3,836,971)
Rental expense		(125,070)	(143,689)
Travel expenses		(6,280)	(21,463)
Administration expenses	4.2	(926,546)	(1,430,971)
Costs associated with derecognition of subsidiaries		-	(140,109)
Depreciation and amortisation expense		(186,201)	(246,524)
Financing costs	4.3	(385,274)	(300,007)
Profit/(Loss) before income tax		427,671	(407,473)
Income tax expense		(49)	(11)
Profit/(Loss) for the year attributable to members of the parent entity		427,622	(407,484)
Other comprehensive Profit/(Loss) for the period, net of tax, that may be reclassified subsequently to profit or loss:			
Exchange differences on translation of foreign operations		-	-
Total comprehensive Profit/(Loss) for the year attributable to members of the parent entity		427,622	(407,484)
Profit/(Loss) per share:			
		Cents	Cents
Basic and Diluted Profit/(loss) per share for the year attributable to ordinary equity holders of the parent		1.42	(1.51)

The accompanying notes form part of these financial statements.

Condensed Consolidated Statement of Financial Position

As at 31 December 2023

	Note	Consolidated Group	
		31 Dec 2023	30 Jun 2023
		\$	\$
CURRENT ASSETS			
Cash and cash equivalents		1,066,227	1,397,164
Trade and other receivables		1,271,161	1,221,605
Other assets	5	4,064,825	3,329,007
TOTAL CURRENT ASSETS		6,402,213	5,947,776
NON-CURRENT ASSETS			
Trade and other receivables		8,358	49,315
Other assets	5	2,992,495	2,570,126
Property, plant and equipment		19,014	30,997
Other Intangible assets	6	948,578	676,153
Right of Use Asset	7	262,550	354,098
TOTAL NON-CURRENT ASSETS		4,230,995	3,680,689
TOTAL ASSETS		10,633,208	9,628,465
CURRENT LIABILITIES			
Trade and other payables	8	2,922,726	1,979,698
Current Tax Liability		82	32
Short Term provisions		444,984	249,475
Loans and Borrowings	9	4,628,818	2,712,719
Lease liability	10	184,168	185,158
TOTAL CURRENT LIABILITIES		8,180,778	5,127,082
NON-CURRENT LIABILITIES			
Other long-term provisions		61,979	54,032
Loans and Borrowings	9	1,888,087	4,277,275
Lease liability	10	98,848	194,182
TOTAL NON-CURRENT LIABILITIES		2,048,914	4,525,489
TOTAL LIABILITIES		10,229,692	9,652,571
NET ASSETS / (LIABILITIES)		403,516	(24,106)
EQUITY			
Issued capital		7,337,906	7,337,906
Retained losses		(13,657,454)	(14,085,076)
Dividend profit reserve		6,723,064	6,723,064
TOTAL EQUITY / (DEFICIT)		403,516	(24,106)

The accompanying notes form part of these financial statements.

Condensed Consolidated Statement of Changes in Equity

For the year ended 31 December 2023

Consolidated Group	Issued Capital	Share Based Payment Reserve	Retained Losses	Dividend Profit Reserve	Foreign currency translation reserve	Total
	\$	\$	\$	\$	\$	\$
Balance at 30 June 2022	6,837,906	-	(13,930,408)	6,723,064	3,702	(365,736)
Loss for the period	-	-	(407,484)	-	-	(407,484)
Total comprehensive loss	-	-	(407,484)	-	-	(407,484)
Adjustment to prior year retained earnings ^	-	-	140,130	-	-	140,130
Balance at 31 December 2022	6,837,906	-	(14,197,762)	6,723,064	3,702	(633,090)
Balance at 30 June 2023	7,337,906	-	(14,085,076)	6,723,064	-	(24,106)
Profit for the period	-	-	427,622	-	-	427,622
Total comprehensive profit	-	-	427,622	-	-	427,622
Balance at 31 December 2023	7,337,906	-	(13,657,454)	6,723,064	-	403,516

^Adjustment to prior year retained earnings relates to the deregistration of 100% owned group entities during the period. Entities include Energy Advice Pty Limited, Eactive Consulting Pty Limited, Ward Consulting Services (NSW) Pty Limited, ACN 087 790 770 Pty Limited.

The accompanying notes form part of these financial statements.

Condensed Consolidated Statement of Cash Flow

For the year ended 31 December 2023

	Consolidated Group	
	1H FY24 6 Months to Dec 23	1H FY23 6 Months to Dec 22
	\$	\$
OPERATING ACTIVITIES		
Receipts from customers (inclusive of GST)	6,069,912	5,897,304
Payments to suppliers and employees (inclusive of GST)	(5,095,638)	(5,577,048)
Interest received	13,623	2,073
Interest paid	(255,265)	(177,347)
Net cash provided by operating activities	732,632	144,982
INVESTING ACTIVITIES		
Purchase of property, plant and equipment	-	(8,143)
Software development costs	(355,095)	(171,210)
Net cash used in investing activities	(355,095)	(179,353)
FINANCING ACTIVITIES		
Repayment of borrowings	(600,000)	-
Repayment of lease liability	(108,474)	(158,511)
Net cash used in by financing activities	(708,474)	(158,511)
Net decrease in cash held	(330,937)	(192,882)
Cash (including restricted cash) at beginning of statement period	1,397,164	1,859,646
Cash (including restricted cash) at end of statement period	1,066,227	1,666,764

The accompanying notes form part of these financial statement.

Notes to the Financial Statements for year ended 31 December 2023

Note 1: Corporate Information

The interim consolidated financial statements and notes represent those of Energy Action Limited and its Controlled Entities (the “consolidated group” or “Group” or “EAX”) for the half-year ended 31 December 2023. The financial statements were authorised for issue in accordance with a resolution of the directors on 28 February 2024.

Energy Action Limited (“the Parent”) is a company limited by shares incorporated in Australia whose shares are publicly traded on the Australian Securities Exchange. The Group is a for profit entity.

The nature of the operation and principal activities of the Group are described in the directors’ report.

Note 2: Summary of Significant Accounting Policies

2.1 Basis of Preparation

The interim unaudited condensed consolidated financial statements for the six months ended 31 December 2023 have been prepared in accordance with AASB 134 Interim Financial Reporting. The disclosures required in these interim unaudited condensed consolidated financial statements are less extensive than the disclosure requirements for annual financial statements. The interim unaudited condensed consolidated financial statements should be read in conjunction with the annual financial report of the Group for the year ended 30 June 2023.

The interim unaudited condensed consolidated financial statements comprise the condensed statements of comprehensive income, financial position, changes in equity and cash flows as well as the relevant notes to the interim unaudited condensed consolidated financial statements.

The financial statements have been prepared under the historical cost convention and on a going concern basis.

2.2 New Accounting Standards and interpretations

(i) New or amended accounting standards and interpretations adopted

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, unless otherwise stated.

The consolidated entity has adopted all of the new or amended Accounting Standards and Interpretations issued by Australian Accounting Standards Board (AASB) that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Going concern assessments and solvency

The Group expects to comply with going concern and solvency assessments given the outlook for operating EBITDA and operating cash.

There is no other material impact in relation to accounting standards and ASIC focus for Energy Action in the six months to 31 December 2023.

The financial statements have been prepared on the going concern basis, which contemplates continuity of normal business activities and the realisation of assets and discharge of liabilities in the normal course of business.

As disclosed in the financial statements, the Group had net current liabilities of \$1,778,565 at period end. This is predominantly due to the bank debt of \$4,650,000, as disclosed in note 9, that is due for repayment on 31 December 2024 and disclosed as a current liability.

This factor indicates a material uncertainty which may cast significant doubt as to whether the Group will continue as a going concern and therefore whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report.

Note 2: Summary of Significant Accounting Policies (Continued)

The Directors believe that there are reasonable grounds to believe that the Group will be able to continue as a going concern, after consideration of the following factors:

- The Group has cash of \$1,066,227 as at year end and had net cash inflows from operating activities of \$732 632 for the half year ended 31 December 2023;
- The group will enter into discussions with the bank in relation to the repayment required at 31 December 2024; and;
- The Group incurred a profit of \$427,622 for the half year ended 31 December 2023 and net asset of \$403,516.

Accordingly, the Directors believe that the Group will be able to continue as a going concern and that it is appropriate to adopt the going concern basis in the preparation of the financial report.

The financial report does not include any adjustments relating to the amounts or classification of recorded assets or liabilities that might be necessary if the Group does not continue as a going concern.

Note 3: Segment Information

Identification of Reportable Segments

The Group has identified one reportable operating segment, which provides electricity and gas procurement services, energy management services, and solar PV services in Australia. The types of services provided are detailed below.

Types of services

Energy Action's principal activities include providing Australian business customers energy and carbon emissions procurement and management services. Our three core revenue streams are energy procurement, energy management, and solar PV.

- **Energy Procurement** – Broking or consulting using a range of procurement methodologies including auctions, tenders, progressive and structured purchasing, corporate power purchase agreements.
- **Energy Management** – Managed client energy contracts and environmental reporting, including account management, liaison with their retailer, validating their bill, ensuring the right tariff, and helping them to understand how they are using energy and their emissions profile.
- **Solar PV** – Sourcing and contracting of solar project suppliers for business customers looking to implement solar solutions.

The services are supported by Energy Action's proprietary software solution, Utilibox, an energy and emissions management platform designed to transform energy data.

The Australian Energy Exchange (AEX) electricity and gas procurement service is an online, real time and reverse auction platform for business customers which provides the opportunity to competitively obtain energy supply contracts from various energy providers.

A historical segment was Embedded Networks. This segment was sold in April 2022, and the full assignment of Embedded Networks customer was completed in February 2023.

In Note 3 revenue is analysed by service line, however over all the performance of the business is monitored as one.

Accounting Policies and inter-segment transaction

The accounting policies used by the Group in the reporting segment internally are the same as those contained in note 2 to the annual accounts.

Note 3: Segment Information (Continued)

Revenue by Customer

There is no revenue with a single external customer that contributes more than 10% of total revenue.

3.1

1H FY24 (Jul 23 – Dec 23)		Energy Procurement \$	Energy Management \$	Embedded Networks	Total \$
Revenue from contracts with Customers		3,233,958	2,474,443	-	5,708,401
		3,233,958	2,474,443	-	5,708,401

1H FY23 (Jul 22 – Dec 22)		Energy Procurement \$	Energy Management \$	Embedded Networks \$	Total \$
Revenue from contracts with Customers		3,104,138	2,771,784	110,063	5,985,985
		3,104,138	2,771,784	110,063	5,985,985

	1H FY24 6 Months to Dec 23 \$	1H FY23 6 Months to Dec 22 \$
Timing of Revenue Recognition		
Services transferred at a point in time	2,865,850	2,594,622
Services transferred over time	2,842,551	3,391,363
Total Revenue from contracts with customers	5,708,401	5,985,985

All material revenues are generated in Australia.

3.2

	Consolidated Group	
	1H FY24 6 Months to Dec 23 \$	1H FY23 6 Months to Dec 22 \$
Other Revenue		
Other revenue	-	30,082
	-	30,082

Note 4: Expenses

	Consolidated Group	
	1H FY24	1H FY23
	6 Months to Dec 23	6 Months to Dec 22
	\$	\$
4.1		
Employee benefits		
Salaries	2,815,461	3,238,034
Commissions	178,790	111,716
Superannuation	274,403	307,982
Other	169,616	179,239
Total Employment benefits	3,438,270	3,836,971
4.2		
Administrative costs		
Accounting, audit and tax fees	121,875	74,729
Advertising and marketing	41,391	210,707
Legal and professional fees	130,078	133,940
Telephone and internet	28,222	38,060
Computer maintenance costs	303,344	347,515
Bad debt expense	31,000	24,000
Recruitment Costs	46,929	117,334
Insurance Costs	109,602	113,553
Marketing and subscription fees	-	62,864
Entertainment & sustenance costs	6,248	11,534
FBT expense	-	35,496
Consulting	31,533	64,527
Other expenses	76,324	196,712
Total Administrative costs	926,546	1,430,971
4.3		
Financing costs / (income)		
Interest income	(13,729)	(6,143)
Interest expense – Other	12,150	22,679
Interest expense - Bank Loan	276,040	185,187
Interest expense – Directors Loan	110,813	98,284
Total Financing costs / (income)	385,274	300,007

Note 5: Other Assets

	Consolidated Group	
	31 Dec 2023	30 Jun 2023
	\$	\$
CURRENT		
Prepayments	252,154	145,619
Other assets	2,124	1,028
Work in progress	151,544	309
Revenue not invoiced *	3,659,003	3,182,051
	<u>4,064,825</u>	<u>3,329,007</u>
NON CURRENT		
Work in progress	1,797	-
Revenue not invoiced *	2,990,698	2,570,126
	<u>2,992,495</u>	<u>2,570,126</u>

* These represents conditional contract assets. These are assets for which the service has been performed and revenue recognised. The invoicing to customer will occur over the life of the contract.

	Consolidated Group	
	31 Dec 2023	30 Jun 2023
	\$	\$
Revenue not invoiced *		
Conditional Contract Assets (Current + Non Current)	6,649,701	5,752,177
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:	5,752,177	4,452,939
Additions	3,775,949	5,132,738
Transfer to Trade Receivables	(2,878,425)	(3,833,500)
	<u>6,649,701</u>	<u>5,752,177</u>

Note 6: Other Intangible Assets

	Consolidated Group	
	31 Dec 2023	30 Jun 2023
	\$	\$
Software development costs	14,203,117	13,848,022
Software Impairment	(6,338,920)	(6,338,920)
Accumulated amortisation	(6,915,619)	(6,832,949)
Net carrying value	948,578	676,153
Total Intangibles	948,578	676,153

	Software Development costs	Total Intangibles
		\$

Consolidated Group:

Year ended 30 June 2023

Balance at the beginning of year	487,681	487,681
Additions (Internal development & purchases)	706,442	706,442
Impairment	(353,219)	(353,219)
Amortisation charge	(164,751)	(164,751)
Closing value at 30 June 2023	676,153	676,153

Period ended 31 December 2023

Balance at the beginning of year	676,153	676,153
Additions (Internal development & purchases)	355,095	355,095
Impairment	-	-
Amortisation charge	(82,670)	(82,670)
Closing value at 31 December 2023	948,578	948,578

Intangible assets, excluding goodwill, have finite useful lives. The current amortisation charges for intangible assets are included under depreciation and amortisation expense in the statement of comprehensive income.

The Group has made an investment in Utilibox, an energy and emissions management technology platform. Utilibox was launched in April 2023.

12 (a) Impairment testing of goodwill and other intangible assets

AASB 136 (9) "Impairment of Assets" requires an entity to assess at the end of each reporting period whether there is any indication that impairment exists, and if there are indicators of impairment to reassess the assets recoverable amount. The recoverable amount is defined in AASB 136 as the higher of fair value less cost to sell, and value in use.

12 (b) Impairment of software

During the year the Group capitalised costs associated with the development of Utilibox. Utilibox was launched in April 2023 and is utilised by customers of the Group. The Group expects that the software will generate future value and has therefore not impaired the asset.

Note 7: Right-of-use Assets

	Consolidated Group	
	31 Dec 2023	30 Jun 2023
	\$	\$
NON CURRENT		
Right of use asset:		
At cost	525,099	670,266
Impairment	-	-
Accumulated depreciation	(262,549)	(316,168)
	262,550	354,098
		Total Right of Use Assets
		\$
Consolidated Group:		
Year ended 30 June 2023		
Balance at the beginning of year		52,421
Additions		525,099
Depreciation		(223,422)
Closing value at 30 June 2023		354,098
Period ended 31 December 2023		
Balance at the beginning of year		354,098
Additions		-
Depreciation		(91,548)
Closing value at 31 December 2023		262,550

Note 8: Trade and other payables

	Consolidated Group	
	31 Dec 2023	30 Jun 2023
	\$	\$
CURRENT		
Unsecured Liabilities:		
Trade payables	563,431	598,663
Goods and Services tax	60,098	28,358
Unearned revenues	499,503	210,522
Commissions payable	59,928	225,999
Rebates to channel partners	1,018,469	185,118
Makegood Liability for Office Rental	149,418	205,503
Other payables and accrued expenses	571,879	525,535
	2,922,726	1,979,698

Note 9: Loans & Borrowings

	Consolidated Group	
	31 Dec 2023	30 Jun 2023
	\$	\$
CURRENT		
Market Rate Loan Facility - CBA	4,650,000	2,750,000
Less capitalised debt establishment fees	(21,182)	(37,281)
	<u>4,628,818</u>	<u>2,712,719</u>
NON CURRENT		
Loan from Directors	1,888,087	1,777,275
Market Rate Loan Facility - CBA	-	2,500,000
	<u>1,888,087</u>	<u>4,277,275</u>
CURRENT		
CBA Loan Facility		
At the beginning of the reporting period:	2,712,719	5,962,723
Movement in the year:		
- Reclassified from Current to Non Current	-	(2,500,000)
- Reclassified from Non Current to Current	2,500,000	
- Repayment of Loan:	(600,000)	(750,000)
- Capitalised / (Expensed) debt fees:	16,099	(4)
At the end of the reporting period	<u>4,628,818</u>	<u>2,712,719</u>
NON CURRENT		
CBA Loan Facility		
At the beginning of the reporting period:	2,500,000	-
Movement in the year		
- Reclassified from Current to Non Current	-	2,500,000
- Reclassified from Non Current to Current	(2,500,000)	-
At the end of the reporting period	<u>-</u>	<u>2,500,000</u>
Directors Loan Facility		
At the beginning of the reporting period:	1,777,275	1,576,332
Subordinated loans received	-	500,000
Loans converted to equity		(500,000)
Interest accrued during period (capitalised)	110,812	200,943
At the end of the reporting period	<u>1,888,087</u>	<u>1,777,275</u>

Note 9: Loans & Borrowings (continued)

Utilisation of the facility is summarised in the following table:

Financing facilities

CBA Loan Facility

	Consolidated Group	
	31 Dec 2023	30 Jun 2023
	\$	\$
Loan facilities (excluding corporate card facility)	4,736,000	5,336,000
Amounts utilised		
Borrowings	4,650,000	5,250,000
Bank guarantees – non-cash	85,813	85,813
Total amounts utilised	4,735,813	5,335,813
Total amounts unutilised	187	187

As at 31 Dec 2023, Energy Action had utilised \$4.65 million of market rate loan and \$0.08 million bank guarantees. The carrying value of the loans and borrowings materially approximate fair value. Funds advanced under the facility are secured by a charge over the assets of the Group.

Note 10: Lease Liability

	Consolidated Group	
	31 Dec 2023	30 Jun 2023
	\$	\$
CURRENT		
Closing Lease Liability Current	184,168	185,158
NON CURRENT		
Closing Lease Liability Non - Current	98,848	194,182

Note 11: Earnings Per Share

Basic earnings per share amounts are calculated by dividing net profit for the year attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year.

Diluted earnings per share amounts are calculated by dividing the net profit attributable to ordinary equity holders of the parent (after adjusting for interest on the convertible preference shares) by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on conversion of all dilutive potential ordinary shares into ordinary shares.

The following reflects the income and share data used in the basic diluted earnings per share computations:

Note 11: Earnings Per Share (continued)

	1H FY24 6 Months to Dec 23	1H FY23 6 Months to Dec 22
	\$	\$
Statutory Net profit / (loss) attributable to ordinary equity holders of the parent for basic earnings	427,622	(407,484)
Statutory Net Profit / (loss) attributable to ordinary equity holders of the parent adjusted for the effect of dilutions	427,622	(407,484)
	Dec 2023 No.	Dec 2022 No.
Weighted average number of ordinary shares for basic earnings per share	30,113,600	26,988,600
Weighted average number of ordinary shares adjusted for the effect of dilution	30,113,600	26,988,600
Basic earnings / (loss) per share (Statutory)	1.42	(1.51)
Diluted earnings/ (loss) per share (Statutory)	1.42	(1.51)

Under the accounting standards, losses are not diluted. The dilution calculation has been performed to enable users of these financial statements to determine the impact of the dilution on both Statutory and Operating Profit/(Loss) per share. Refer also to the Directors' Report for further information on the calculation of Operating Profit.

Tax rates

The tax rate at which paid dividends have been franked is 25% (FY23: 25%). Dividends proposed will be franked at the rate of 25% (FY23: 25%).

Note 12: Share-based Payment Transactions

The share-based payment reserve is used to recognise the value of equity-settled share-based payment provided to employees.

For the six months ended 31 December 2023, the Group has not recognised any Share Based Payment Expense (1H FY23: \$Nil) of share-based payment transactions expense in the statement of comprehensive income.

Note 13: Related Party Disclosure

Other related parties include entities controlled by the ultimate parent entity and entities over which key management personnel exercise significant influence.

Other than disclosed below, there were no other transactions with key management personnel other than reimbursement of expenses incurred by them in performing their respective duties. During the six months period ended 31 Dec 23, the Group paid to Directors and Executive Key Management Personnel (includes Executive Directors, CEO, CFO, CTO and Head of Commercial & Growth) total remuneration amounting to \$525,015.

There was NIL related party transactions in FY24 H1 (FY23 H1: \$NIL).

Note 14: Contingent Liabilities

A demand made in the FY 20 period in respect of alleged unpaid amounts for previous work provided to the Group is ongoing. The Claimant filed proceeding in the Federal Court of Australia in FY 2021. The Group has disclaimed liability and has defended the action. The Group is of the view that it is unlikely that any significant liability or material loss will arise in respect of the legal claim at the date of these financial statements.

Note 15: Events After the Reporting Period

Non-adjusting events after the reporting period

No other matters or circumstances have arisen since the end of the half-year which significantly affected or could significantly affect the operations of the consolidated group, the results of those operations, or the state of affairs of the consolidated group in future financial years.

Director's Declaration

In accordance with a resolution of the Directors of Energy Action Limited, I state that:

1. In the opinion of the Directors:
 - a. The financial statements and notes of Energy Action Limited for the half - year ended 31 December 2023 are in accordance with the Corporations Act 2001, including:
 - i. giving a true and fair view of the Group's financial position as at 31 December 2023 and of its performance;
 - ii. complying with Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporation Regulations 2001 and other mandatory professional reporting requirements;
 - b. There are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable
2. This declaration has been made after receiving the declarations required to be made to the Directors in accordance with section 295A of the Corporations Act 2001 for the half - year ended 31 December 2023.

On behalf of the board



Murray Bleach
Chairman

28 February 2024

INDEPENDENT AUDITOR'S REVIEW REPORT

TO THE MEMBERS OF

ENERGY ACTION LIMITED

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Energy Action Limited which comprises the condensed consolidated statement of financial position as at 31 December 2023, the condensed consolidated statement of comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the half-year end or from time to time during the half-year.

Directors' Responsibility for the Half-Year Financial Report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors those charged with governance determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2023 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Energy Action Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Energy Action Limited, would be in the same terms if given to the directors as at the time of this auditor's report.

Material Uncertainty Related to Going Concern

We draw attention to Note 2 in the interim financial report, which indicates that the Group had net current liabilities of \$1,778,564 at period end. As stated in Note 2, this event or condition, along with other matters as set forth in Note 2, indicate that a material uncertainty exists that may cast significant doubt on the consolidated entity's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Energy Action Limited is not in accordance with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2023 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*.



RSM AUSTRALIA PARTNERS



Cameron Hume
Partner

Sydney, NSW
Dated: 28 February 2024