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Chairman's Report to FY2022 AGM

Welcome to the 2022 Annual General Meeting of Energy One Limited. My name is Andrew Bonwick, I am your Chairman. Please allow me to introduce our directors Ian Ferrier and Ottmar Weiss. Mr Weiss has announced he will retire at this meeting. Our Managing Director Shaun Ankers who is joining via Teams as he is currently on site at our operations in Europe. Vaughan Busby is unfortunately unable to be with us. I also welcome our CFO, Guy Steel.

It is with pleasure that I am able to report that Energy One has achieved its ninth consecutive year of profitability.

In FY2022, Energy One continued to see the benefits flowing from the strategy of organic growth and synergistic acquisitions made in prior years, despite the impact of COVID on major project sales which we had flagged in providing guidance for the year. Revenues (+16%) and underlying earnings (EBITDA) (+15%) both grew strongly, as did net profit after tax which increased by 16% from 2021 to $4.35M. This performance is a strong affirmation of the strategy pursued by the Company and delivered by its management. Recurring revenue grew in 2022, eclipsing total 2021 revenues, and has a compound annual growth rate of 42% since 2018.

This year was marked by the acquisition and integration of Egssis in continental Europe, the acquisition of CQ Partners in Australia and continuing organic growth of the Australian and UK operations. 54% of our revenue is earned in Europe and management have grown the European revenues and margins each year. Australian revenue grew 6% despite the drop in project revenues, with recurring revenues up 13% in a market where we enjoy high market share. EBITDA margin in this market improved as well.

We look forward to the continued opening up of Europe to the major project strategic sales processes that are part of our revenue mix and provide long tail SaaS revenues. We closed a major customer sale in Europe shortly into FY23, and Australian and European major sales activity is progressing well.

Contigo, eZ-nergy and Egssis recommended the adoption of Energy One branding across the European market late last year. This commenced with our presentations and booth at E-World in Essen in June, and London in August, having the main branding as Energy One. The suggestion originating in Europe is a strong indicator of good cultural integration. Continuing product development and sales effort, with SaaS based products, of modern design and construction with a strong customer orientation, is a good indicator of continued growth in our market share in our largest markets.

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Australian sales and delivery performed well under the guidance of the Australian CEO, Dan Ayers. After a strong project delivery year in 2021 the impact of COVID mean we had no major project in 2022. This was mitigated by a focus on a stream of medium and small projects to deliver revenue and keep the development staff engaged and busy.

The acquisition of Egssis and CQ has enabled Energy One to complete the building blocks for our announced development of a follow the sun 24/7 Global operational capability. We currently service some European customers from Australia during their night shift. The integration of the two regional businesses will proceed, with the cross training and employee exchange and secondment providing domain knowledge in both centres. We have started systems augmentation and integration, using our in-house tools to provide a common user experience for operators on both sides of the world. Increasing use of automation will also allow us to continue to grow the assets serviced by Energy One without commensurate cost growth.

Sales into the services business will come from new entrant, independent renewables Companies with whom we have a high market share in Australia, and energy Companies struggling with out-of-hours (OOH) trading support. Our ability to provide OOH support has been welcomed by a number of global energy corporates, a number of them existing software customers across the globe and will provide a strong platform to move from OOH support to broader services and software sales to those customers.

With the worldwide shift from large stable thermal generators and big retailers to a complex web of renewables, batteries, load shifting and multiplying market participants, the need for these operational services is growing. Energy One has a robust platform of well regarded software and a quality existing operational business. We estimate the addressable market for this type of software and operational services to be in excess of $1bn over the next 5-10 years and major customers in Europe and Australia tell us we have a unique offering in that growing market. We have announced that FY23 and FY24 cashflow will be used to invest $1-2m pa on the services business and we look forward to updating you with our progress.

Our recent history has been marked by both organic and acquisitional growth. The near term will be marked by a concentration on the delivery of the very high potential exhibited by the operational services business.

We announced guidance for FY23 of revenues increasing 37% over FY22 to be in excess of $44M, and EBITDA growing 33% over FY22 to $12.5M and re-iterate that outlook.

In the last several years we have welcomed an increase in the interest in the Company from institutional investors and the development of an ongoing dialogue with those fund managers as they invest their time to get to know the Company. This led to a successful placement of $7.5M with a number of high-quality institutional investors, and a rights issue of ~$2M. We thank shareholders for their support of the Company in subscribing these funds.

When reviewing the existing capital position of the business, and assessing the potential for future business growth, the Board remains mindful of the need to balance further new investment against the need to realise expected returns from investments already made. With both these matters in mind, the Board decided to declare a final dividend of 6c per share in this reporting period. The ongoing availability of the dividend reinvestment plan, in conjunction with the payment of a dividend this year, is intended to provide a further incremental improvement in the liquidity of our shares.

I would like take a moment to reflect on Ottmar's service to your Company. Ottmar joined us prior to the float in 2007 and stepped into the Chairman's role during a challenging early period for the Company. He guided the Company through the establishment of our Software capability, and worked with the CEO and the Board as we built our Australian electricity software suite, the move into gas software and the steps we took to consider, and then enter the UK market. The Board has looked at a number of options and challenges over that 15 years and Ottmar brought a quality skill set and deep commercial and organisational skills to the Board's development of strategy, supervision of the delivery of that strategy and building the shareholders equity. He has a deep commitment to shareholder value and had a core role in the success we are seeing today. I will miss his insight, thank him for his contribution, wish him well in his future endeavours and look forward to welcoming him to future shareholder meetings.

In closing, I would like to again thank my fellow directors, management and staff for their continued support, dedication, and strong efforts throughout this busy and productive year. In particular I would like to highlight the quality of this years' results in Australia and the Europe despite the disruption to travel for Corporate and sales activity by COVID on both sides of the world. This is a testament to the leadership of your CEO and the quality of the leaders he has developed as part of his team.

Andrew Bonwick