

ENERGY ONE LIMITED (ASX:EOL)

FIRST HALF RESULTS FY23

The logo for Energy One Limited, featuring the word "energyone" in a sans-serif font. The "energy" part is in white and the "one" part is in orange, with a small orange dot above the "o" in "one".

energyone

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NEWS AND HIGHLIGHTS

The world of energy is evolving towards net zero and Energy One intends to be the leading and most capable supplier to the wholesale energy marketplace

- Recurring revenue \$18.4M up 42% on prior year
- CQ and Egssis integration progressing very well
- CQ Energy JV team win 2022 Broker of the Year – Weather risk
- About to go-live with a battery autobidding solution for multinational customer.
- Recent go-live for fully automated dispatch/control solution
- Good pipeline of projects and customers (including proof-of-concept for major utility in Europe)
- Good market feedback and progress for our globalisation program





FINANCIAL RESULTS SUMMARY

RESULTS

AUD ('000)	H1 FY 2023	H1 FY 2022	CHANGE
Revenue	20,577	14,611	41%
Recurring Revenue	18,395	12,988	42%
EBITDA*	5,869	4,411	33%
EBITDA MARGIN*	29%	30%	(1%)
NPBT*	2,648	2,763	(10%)

* Normalised for acquisition and one-off costs (refer page 6)

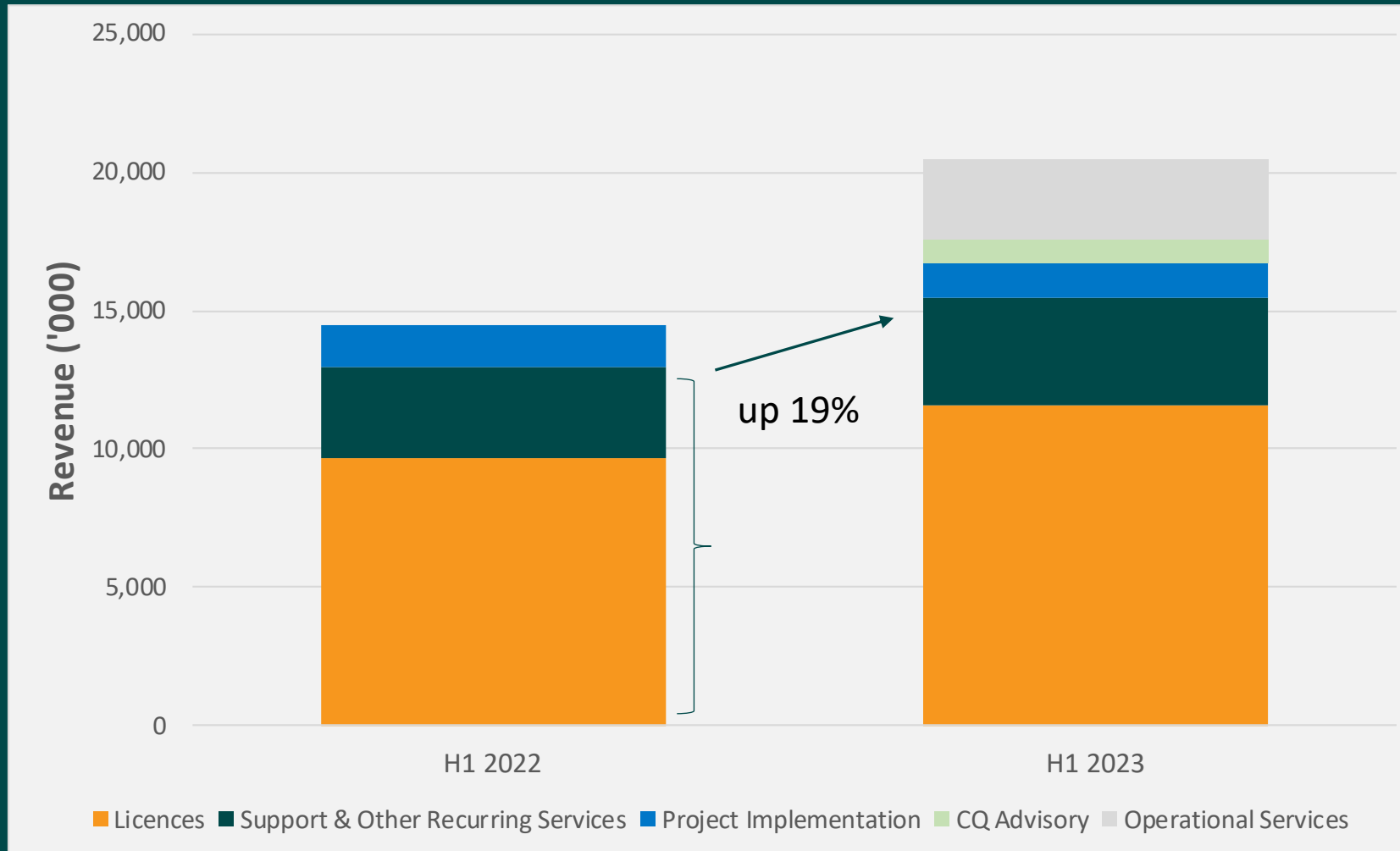
- Increased revenue was aided by the acquisition of CQ Energy and Egssis, as expected
- Project revenue within the existing business impacted by project timings, down 19% on pcp.
- Recurring revenue was likewise aided in the half by the acquisitions with existing business ARR up 8% on pcp
- Profit before tax impacted by NAB facility interest, amortisation on intangibles recognised on acquisition, resumption of travel, investment in the IT platform as well as employee investment costs
- Employee costs include salary increases but also upskilling for projects, global capability and key person risk.
- Capitalisation set to fall as overall percentage of revenue (due to inclusion and growth of services)
- Global Operations investment is \$481k and amortisation of acquired intangibles is \$511k v pcp. For comparative purposes, Statutory NPBT growth would be up 26% if these items are excluded.

EBITDA & NPBT Normalisation reconciliation

AUD ('000)	EBITDA	Normalised For Guidance
Global Operations initiative	481	No
Acquisition costs	10	No
One-off acquisition valuation & Audit fees	132	Yes
Acquisition purchase price - adjustments to P&L	54	Yes
Legals fees Europe integration	198	Yes
Total Impact on EBITDA / NPBT	875	

- Global Operations costs were included in the \$12.5M EBITDA guidance.
- Audit and valuation fees relate to specific one-off non-recurring audit activity directly related to the acquisition of CQ Energy & Egssis
- Legal fees for activities related to establishing new integrated Europe management team and legacy matters being settled.

REVENUE BREAKDOWN

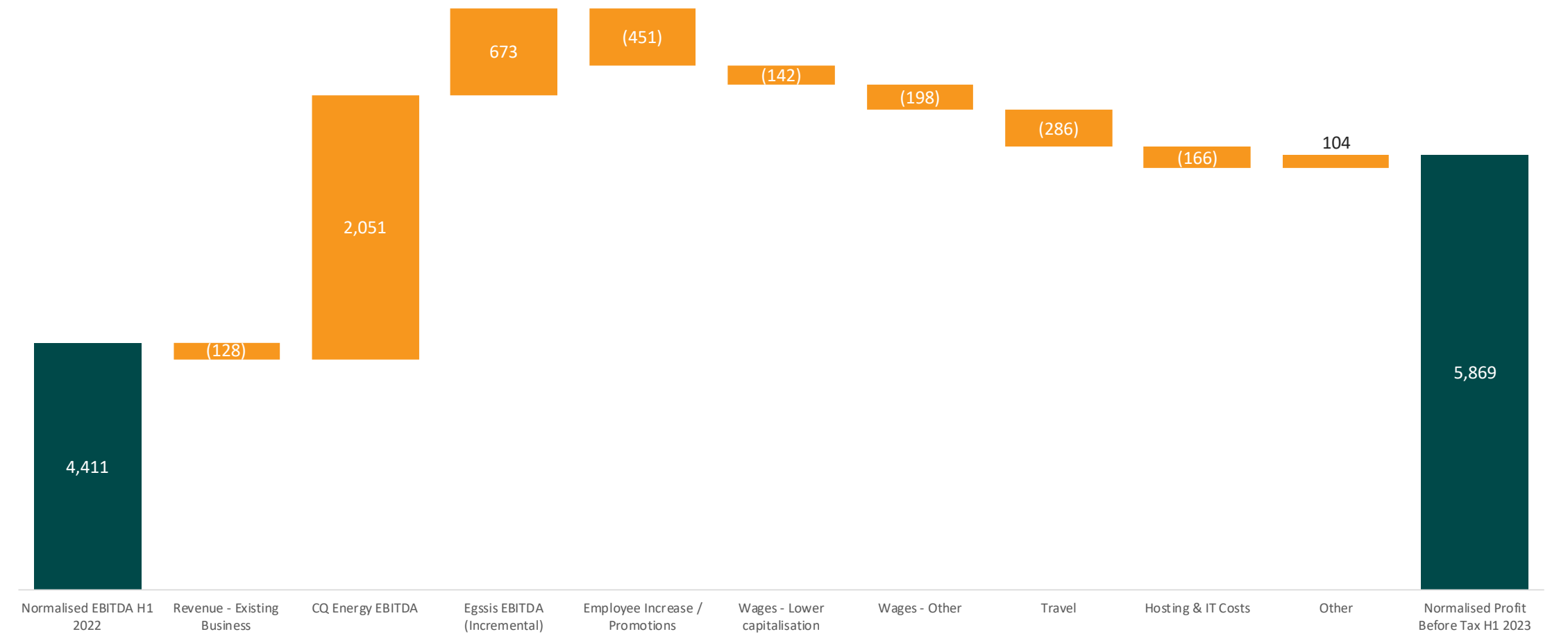


- Project revenue for large project affected by delay in project commencement (into H2)
- We have invested in people ahead of project wins and globalisation program
- Strong pipeline of projects
- Including Proof of concept with major European utility. Close by mid-2023 (if successful)

Net Profit Before Tax (Normalised) Bridge



Earnings Before Interest, Tax and D&A (Normalised) Bridge



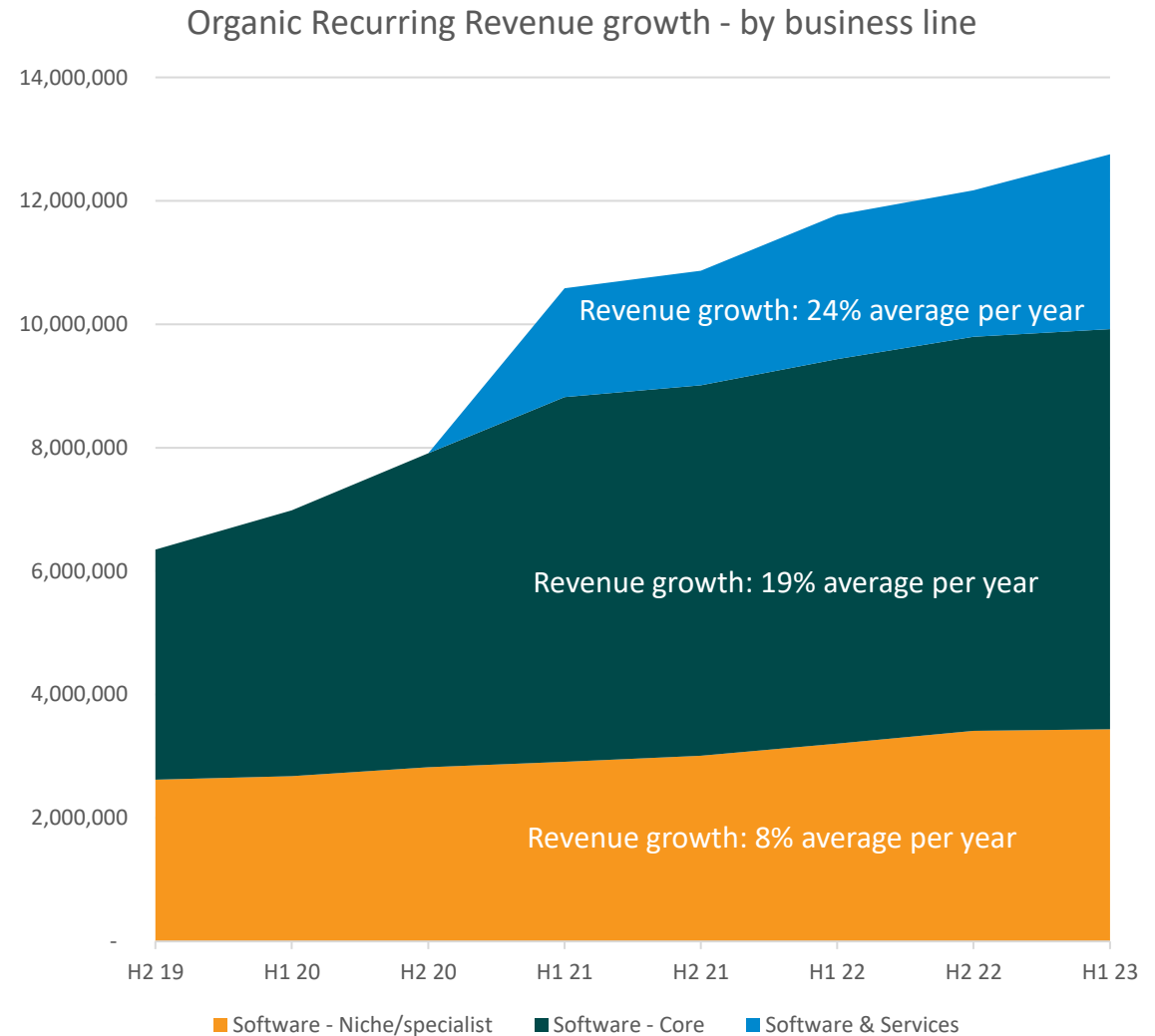
STICKY CUSTOMER BASE

\$mil	H1 FY23	FY 22	FY 21	FY 20
ARR	37.7	36.8	28.9	20.3
Customer Installs	358	346	230	205
Churn	3.3%	2.3%	2.9%	4.1%
Average LTV/Customer	2.3	2.9	2.5	1.7
LTV/CAC	28.3	29.4	28.9	14.8
Typical Contract Length	1-5 year initial term then annual renewal			
Gross Margin	62%	63%	62%	59%

- ARR has increased 86% since FY20
- Churn slightly up due to European market disruption (i.e. high energy prices) leading to uptick in exits/mergers
- GM% arises from recurring (~80% of total) and project revenue (~20%), so a hybrid model.
 - SaaS gross margins 80%
 - Services-and-Software margins 65%
 - Implementation 40%
- Automation key to growing margin on services
- Net revenue retention is 105%

Recurring revenue – organic growth

- Focus and investment on strong recurring revenue lines
- Software and Services growing strongly
- Electricity and renewables customers feature strongly in market segment growth
- CQ Energy (Australia) has won 35% of all new AU entrants in recent years.
- For AU, we have won 30% for software
- Europe has success rate of 50%+ of wins
- UK has large European renewables customer won





GLOBAL 24/7 OPERATIONS

GLOBAL BUSINESS MODEL DEVELOPING NICELY

- Software-and-Services added and developed to complement SaaS core business line
- Follow-the-sun model well supported by existing customers
- European 24/7 services customers – ‘nightshift’ now being served from Australian service desk. Vice versa to follow
- Proof-of-concept with very large European customer
- Battery bidding for major multinational. Going live soon (in Au) with framework agreement for potential further roll-out
- Pipeline of interest around software, out-of-hours services and outsourced models is developing.
- Global outreach program has kicked off

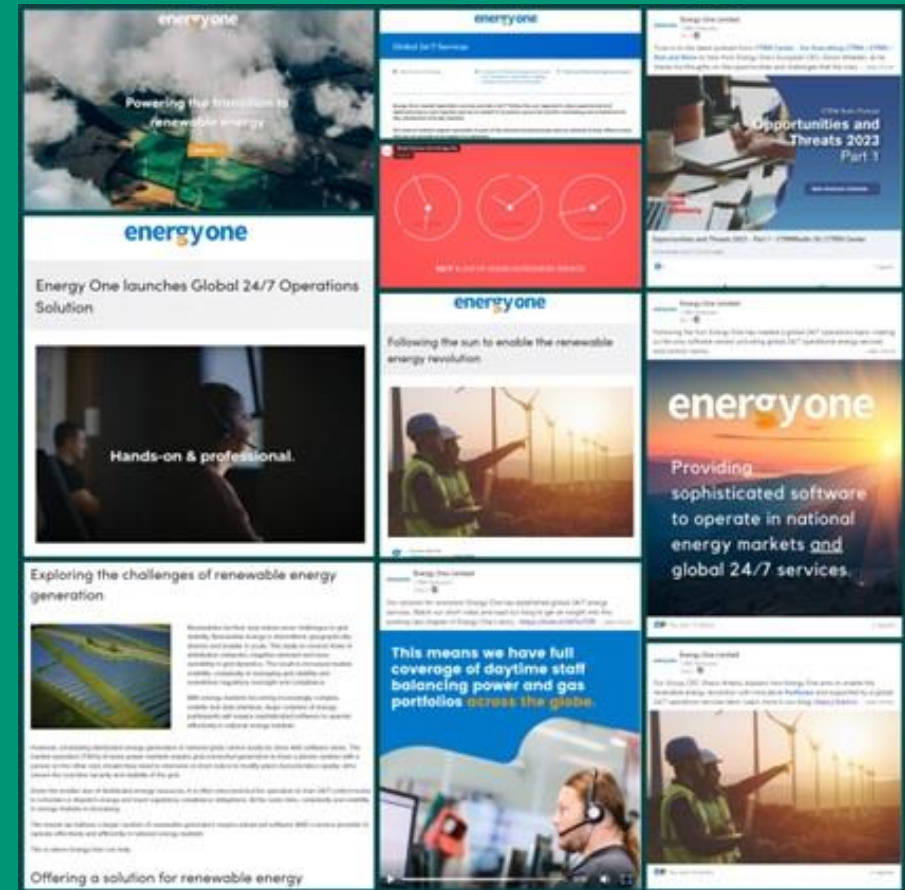
GLOBAL SERVICES OUTREACH

WIDESPREAD MARKETING CAMPAIGN

To highlight awareness of our Global 24/7 operations solution, including PR, Website content, videos and Social Media.

ACCOUNT TEAM Reach out directly to potential customers

SPOTLIGHT ON GLOBAL SERVICES On the new-look energyone.com website



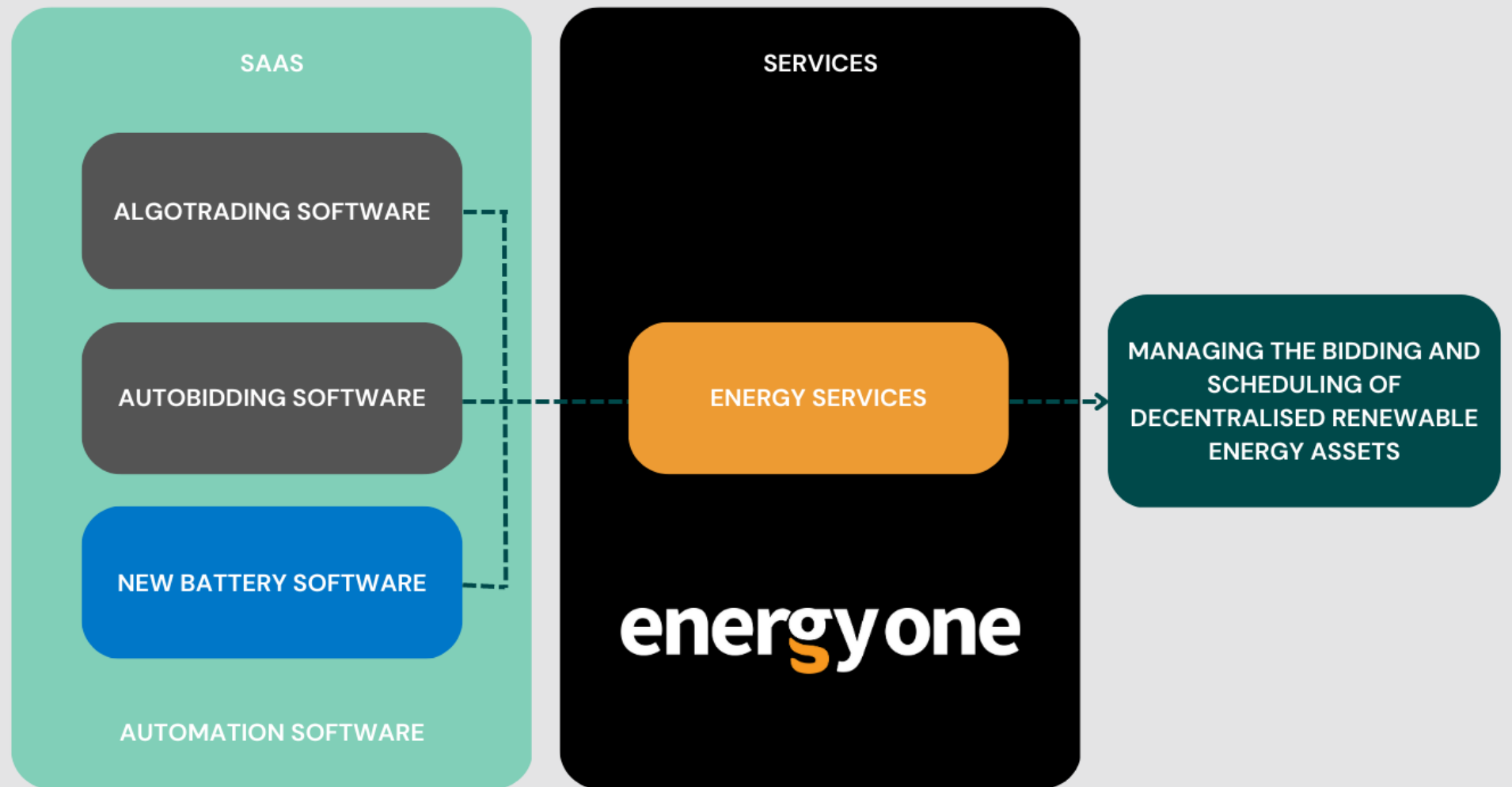
SOFTWARE AND SERVICES IS A GROWTH MARKET

- Total Addressable Market in excess of US\$2bn p.a by 2032
- Renewables required for electrification of the economy. Generation fleet growth of 100%-300% expected in our target markets
- Fragmentation – Many smaller new entrants
- Transitioning occurring among traditional players.
- Distributed Energy Resources fundamentally changing the way the market works
- Gas remains vital energy source for foreseeable future



**COMBINING OUR SOFTWARE WITH
A PREMIUM SERVICE OFFERING
GIVES US AN ENVIABLE POSITION IN
FACILITATING THE ENTRY OF
RENEWABLE ENERGY INTO
NATIONAL ELECTRICITY MARKETS.**





ENERGY ONE – PROVIDING SOFTWARE WITH A SERVICE

Project revenues affected by timing of large projects

The pipeline is good and interest is building

Focus on new business lines with strong organic recurring revenue growth

Margins remain strong and opportunity to grow services margins

Exciting global opportunity and Energy One is ahead of others to realise need and supply solutions

Board maintains FY23 guidance of Revenue \$44.5M and EBITDA* of \$12.5M



SUMMARY

ENQUIRIES

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APPENDIX

Additional Information

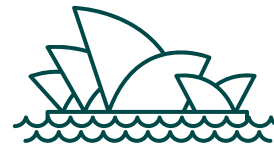
Energy One Limited (ASX: EOL)

ABOUT ENERGY ONE – A PROFITABLE SAAS & SERVICES COMPANY

ENERGY ONE LIMITED (ASX:EOL) IS
A LEADING INDEPENDENT GLOBAL
SUPPLIER OF ENERGY TRADING AND
RISK MANAGEMENT (ETRM)
SOFTWARE SYSTEMS AND SERVICES.

WHERE WE ARE

SYDNEY
MELBOURNE
BRISBANE
ADELAIDE
SOLIHULL, UK
PARIS, FRANCE
AALST, BELGIUM



AUSTRALIA



UK



FRANCE



BELGIUM

EOL HAS A STRONG TRACK RECORD OF YEAR-ON-YEAR GROWTH IN REVENUE AND EARNINGS



HYBRID BUSINESS MODEL OF RECURRING (SAAS) REVENUE (~85%) AND PROJECT T&M (15%) IN FY22



SOLUTIONS FOR THE TRADING OF ENERGY DERIVATIVES AND THE SCHEDULING OF PHYSICAL ENERGY (INCLUDING GREEN POWER, ELECTRICITY, GAS, LIQUID COMMODITIES AND ENVIRONMENTAL AND CARBON TRADING).

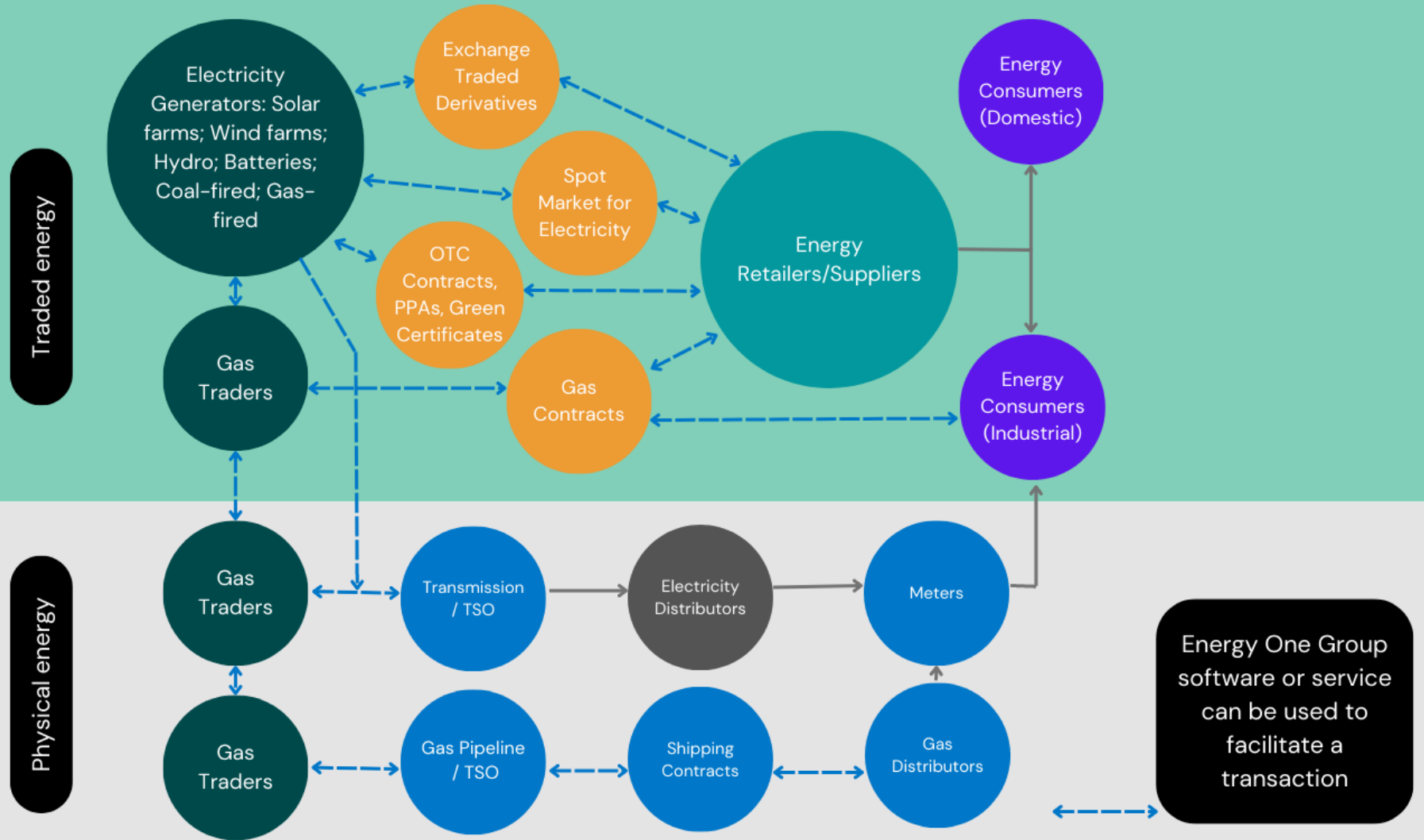


WITH A MARKET SHARE APPROACHING MORE THAN 50% IN AUSTRALIA, 15% IN THE UK AND LESS THAN 5% IN EUROPE, THERE IS A LONG RUNWAY FOR GROWTH.

EOL'S SUITE OF SOFTWARE TOOLS ARE USED BY CUSTOMERS TO MANAGE THEIR EXPOSURE TO RISK AND VOLATILITY.



OUR SOFTWARE IS USED TO TRADE AND MANAGE BOTH PHYSICAL ENERGY AND DERIVATIVE CONTRACTS EITHER BILATERALLY (B2B) OR ON PUBLIC EXCHANGES.



MANY ENERGY MARKET PARTICIPANTS USE EOL GROUP SOFTWARE

PHYSICAL BIDDING

Allows generators/producers to 'bid' or nominate electricity and gas (quantity, price, time and place) into the formal energy markets/grids.

Also for algo-trading in spot markets.
We provide software and 24/7 and other specialist services to this segment

MARKET ANALYTICS

Detailed data and market analytics platform and various trading tools for energy traders.

ETRM

Contract management for recording physical trades (PPAs) and financial derivatives (Swaps, Options, Caps etc.). Records the trade allocating it to a hedge book/portfolio. As market prices change hedge books are revalued. Forward books can be five years or more. Provides risk analytics such as GMar, VaR, CaR, Monte Carlo etc. Electricity, gas, carbon, diesel, coal and Fx.

We supply software, consulting services (for risk products) and settlement services to this segment

BUSINESS PROCESS AUTOMATION

Many systems and contracts in energy markets can be very complex. These tools automate complex tasks increasing not only accuracy but also efficiency. Is also used to automate trading processes (e.g. scheduling/nomination to markets) Particular reference for Battery optimization and auto-bidding

BUSINESS ANALYTICS, INTELLIGENCE AND REPORTING

Wrapping around various software products is a user-configured dashboard that can provide alerts, various market feeds, task management etc. It also offers comprehensive reporting and analytics.

A COMPREHENSIVE SUITE OF SOFTWARE AND SERVICES

EOL GROUP SOFTWARE MAKES LIFE EASIER

PARTICIPANT	CHALLENGES FACED	EOL GROUP SOLUTIONS
Generators	Accurate, compliant energy spot market bidding and nominations	✓
	Efficiently dispatching generation	✓
	Energy operations (B2B, bid preparation, monitoring, compliance)	✓
	Hedging output against volatile spot market using derivatives	✓
	Management and valuation of complex PPAs	✓
Renewables	Automated balancing, bidding, scheduling and nomination to market	✓
	Curtailing dispatch during negative price events	✓
Retailers/Suppliers	Hedging load against the spot market and reconciliation with spot market	✓
	Trading energy derivatives deal capture and contract management	✓
	Logistics – transporting gas across multiple pipelines	✓
	Evaluation of risk exposure, monitoring risk limits	✓
	Renewable energy compliance	✓
	Energy operations (B2B, bid preparation, monitoring, compliance)	✓
Pipelines/TSOs	Deal capture, settlements, capacity trading	✓
	Contract and network optimisation	✓
Industrial customers	Management of PPAs and power & gas scheduling and nomination	✓
	Carbon trading management	✓
	Energy monitoring	x
	Retail invoice reconciliation	x
Energy traders	Single comprehensive source of market data and analytics	✓
	Trading tools to facilitate / manage complex derivative trades	✓



ENERGY ONE **POWERING THE TRANSITION TO RENEWABLE ENERGY**