ENERGY ONE LIMITED (ASX:EOL)

FINANCIAL RESULTS
Year ending 30 June 2023

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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 $39M (up 32%), ARR up 19% to $44M and underlying EBITDA (including Global Operations costs) up 28%
- Capital management saw $5.1mil of deferred consideration paid and net interest-bearing debt reduced by $4.0mil
- Signed several new medium/large accounts in recent months.
- Signed Shell to multi-asset rollout agreement. Indicative of our capability and brand strength.
- Significant multi-year project for Europe in final negotiations.
- Cyberattack is being managed. Customer systems not affected. We are continuing investment in improving systems.
- Attracted non-binding indicative offer from potential buyer following approaches by multiple interested parties

FINANCIAL RESULTS SUMMARY

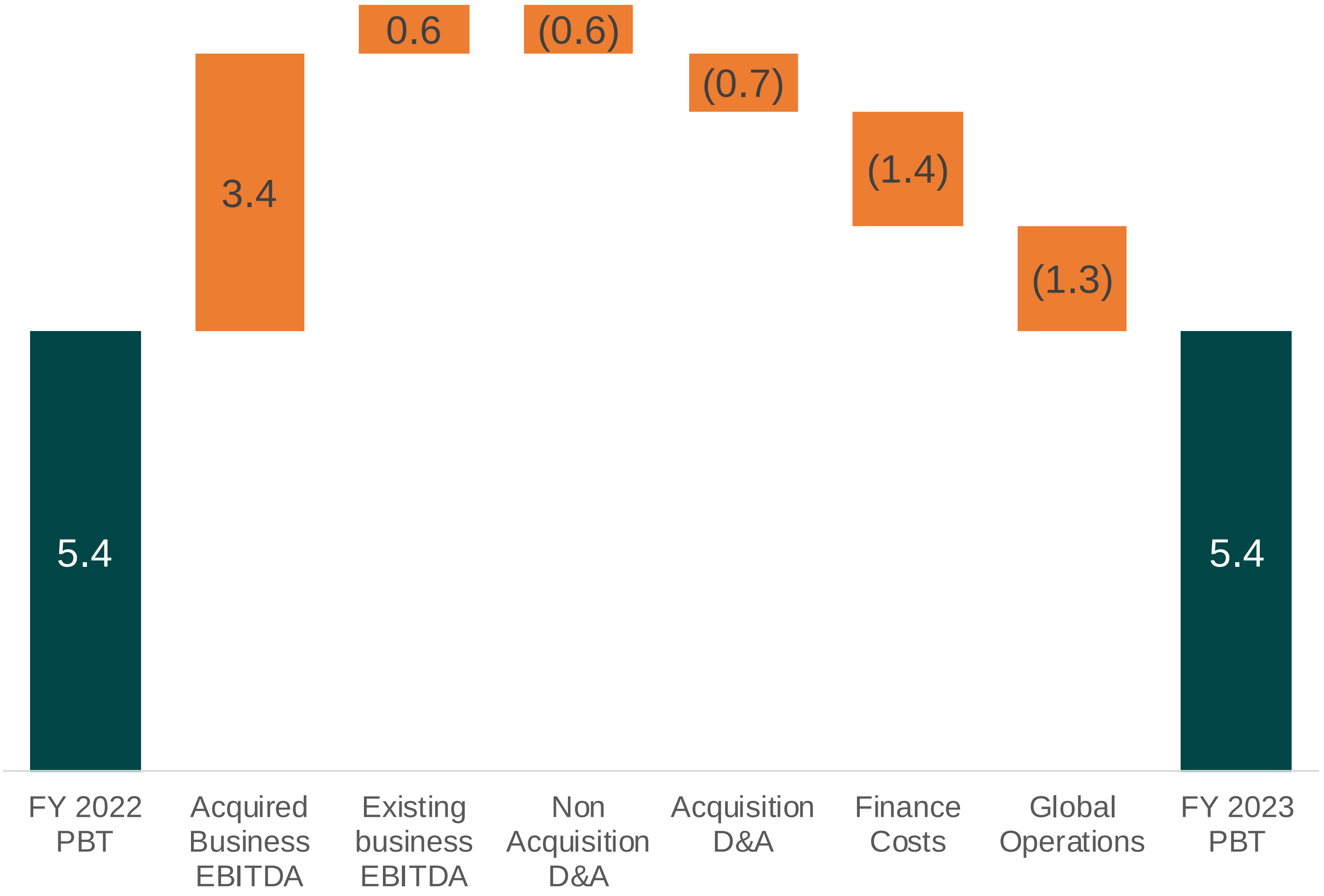
RESULTS

AUD ('000)	FY 2023	FY 2022	CHANGE
Revenue	44,953	32,401	▲ 39%
Recurring Revenue	39,152	29,480	▲ 33%
Annual Recurring Revenue (ARR)	43,920	36,831	▲ 19%
EBITDA*	11,978	9,376	▲ 28%
NPBT*	5,358	5,427	▼ (1%)

* Normalised for acquisition and one-off costs (refer page 7)

- ARR growth was all organic growth. The second half recovery was strong and indicative of a welcome return of customer activity after recent industry upheaval.
- Likewise, Project revenue was $5.6M, up 109% on prior year (FY22: $2.7M).
- EBITDA affected by one-off costs. Even so, non-normalised EBITDA was up 28% which includes the Global Operations investment
- Excluding investment in Globalisation ($1.3M opex / $0.3mil capex), and for comparison purposes, NPBT **would have been $5.6mil, 22% up** on last year. This globalisation will be completed in FY2024 however there will be some ongoing costs thereafter.
- Capitalisation was 11% of revenue, down from 14% in FY22, due to the addition of services business income.

Underlying Profit Bridge



1. Existing and acquired business profitability utilised to:
   - Fund debt used to finance purchase of CQ Acquisition
   - Invest in Global Operations initiative
   - Support amortisation costs resulting from acquired businesses
2. Majority of debt will be paid down over next three years improving operating cash
3. Software investment will decline further as a % revenue as the business continues to scale

EBITDA & NPBT Normalisation reconciliation

AUD ('000)	H1 2023	H2 2023	$000
Acquisition costs	10	340	350
One-off acquisition valuation & Audit fees	186	15	201
Europe founder exit - restructure	198	344	542
Total Impact on EBITDA / NPBT	**394**	**699**	**1,093**
Global Operations Opex	481	840	1,321

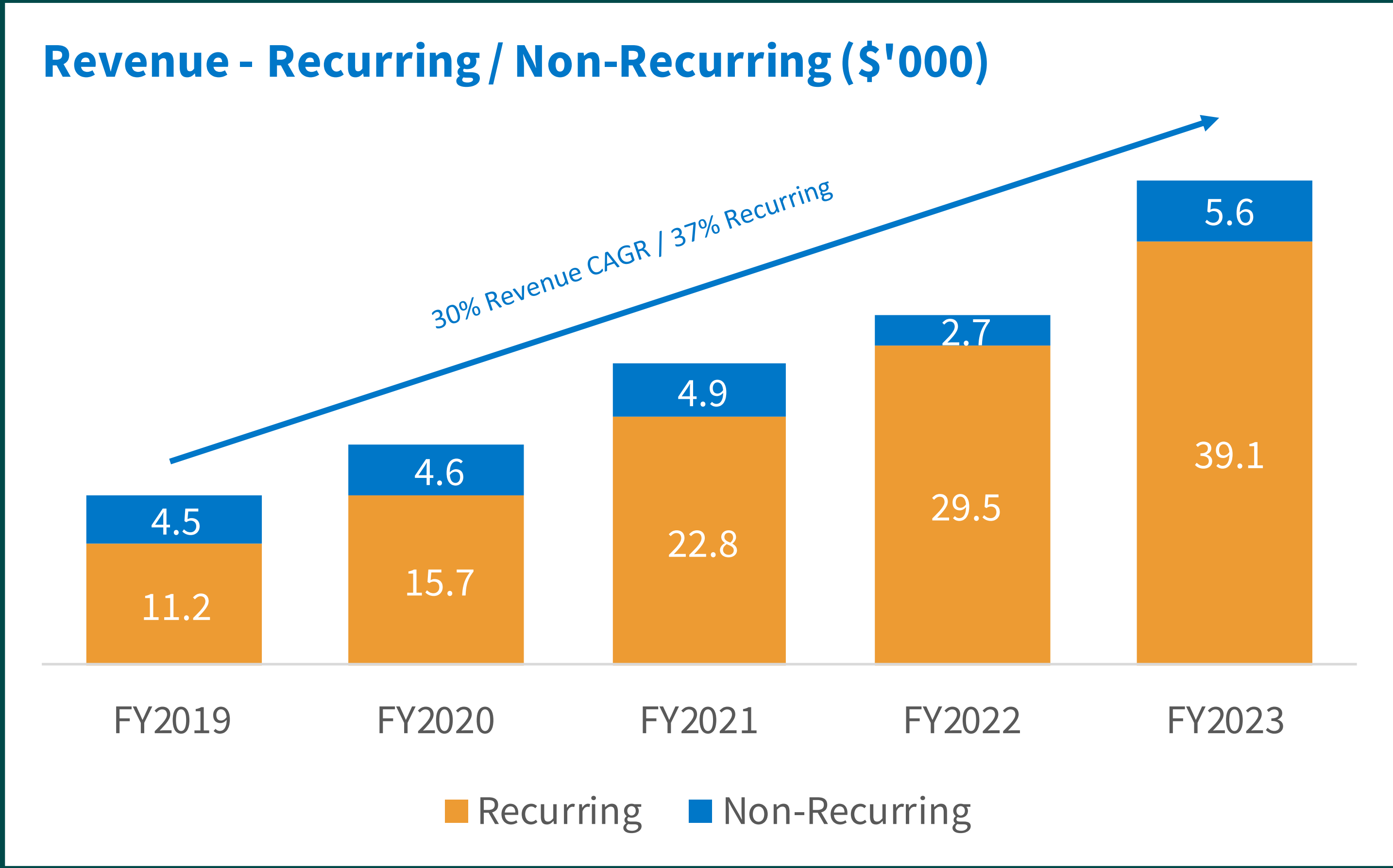
- Acquisition costs relating to the process resulting in the STG non-binding offer proposal as well as Egssis.
- Global Operations opex costs $1.3M but were not 'normalised' out however are provided as a basis for comparison.
- Audit and valuation fees relate to specific one-off non-recurring audit activity and purchase price adjustments passed via the P&L directly related to the acquisition of CQ Energy & Egssis.
- Legal fees for activities related to establishing new integrated Europe management team and legacy matters relating to acquisitions.

Balance Sheet Management

	30 June 2023	30 June 2022	Variance fav / (unfav)	
	$m	$m	$m	%
Assets				
Cash and cash equivalents	1.0	3.3	(2.3)	(70%)
Trade and other receivables	7.4	4.9	2.5	50%
Property, plant and equipment	0.5	0.4	0.1	26%
Lease right-of-use asset	3.3	3.5	(0.2)	(7%)
Software development	22.4	19.2	3.2	17%
Intangible assets	53.0	52.9	0.1	0%
Other assets	3.6	2.9	0.7	26%
Total Assets	**91.1**	**87.1**	**4.0**	**5%**
Liabilities				
Trade and other payables	6.0	4.5	(1.5)	(32%)
Lease liabilities	3.5	3.7	0.2	7%
Borrowings	20.6	26.9	6.3	23%
Deferred Consideration	0.0	5.1	5.1	100%
Income tax payable	0.0	0.0	0.0	0%
Contract liabilities	5.7	4.8	(0.9)	(20%)
Employee provisions	2.2	1.9	(0.3)	(18%)
Deferred tax liability	6.0	6.0	(0.0)	(0%)
Total Liabilities	**44.0**	**52.9**	**8.9**	**17%**
Equity				
Contributed equity	40.1	29.8	10.3	35%
Reserves	1.5	0.1	1.4	Large
Accumulated profits / (losses)	5.5	4.4	1.1	26%
Total Equity	**47.1**	**34.2**	**12.9**	**38%**

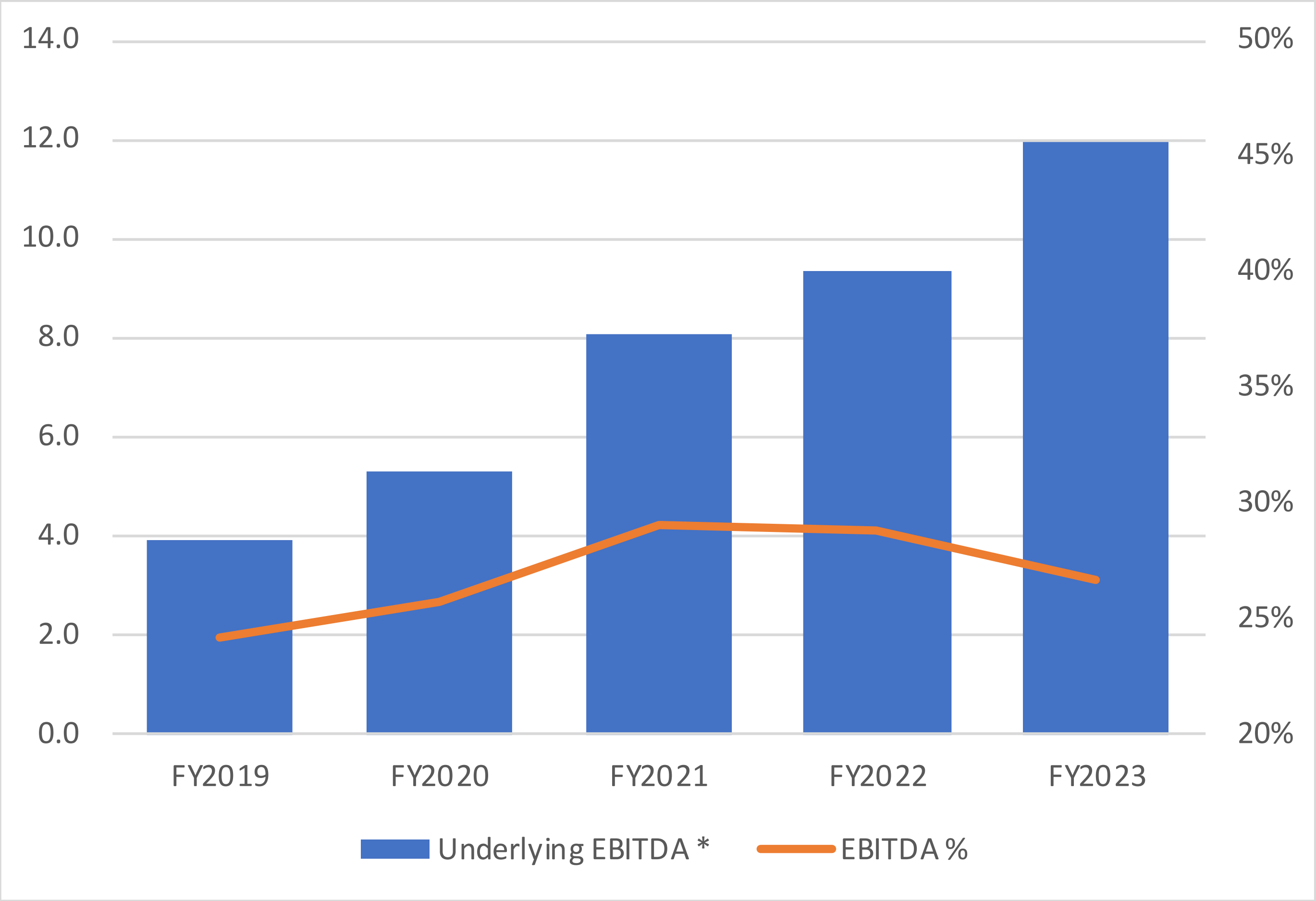
- Receivables build reflects significant project activity and resultant receivable build in Q4 as well as impact of FX on translated balances
- Software reflects continued product investment and FX also affects end balance
- Deferred consideration in respect of acquired businesses fully paid in FY 2023 and no balances remain
- Net debt (debt – cash) decreased by $4.0mil
- Contributed equity increased 10.3mil funding deferred consideration / net debt reduction as well as dividend
- No dividend payable due to cash maximisation and STG non-binding offer received

REVENUE GROWTH CONTINUES STRONGLY



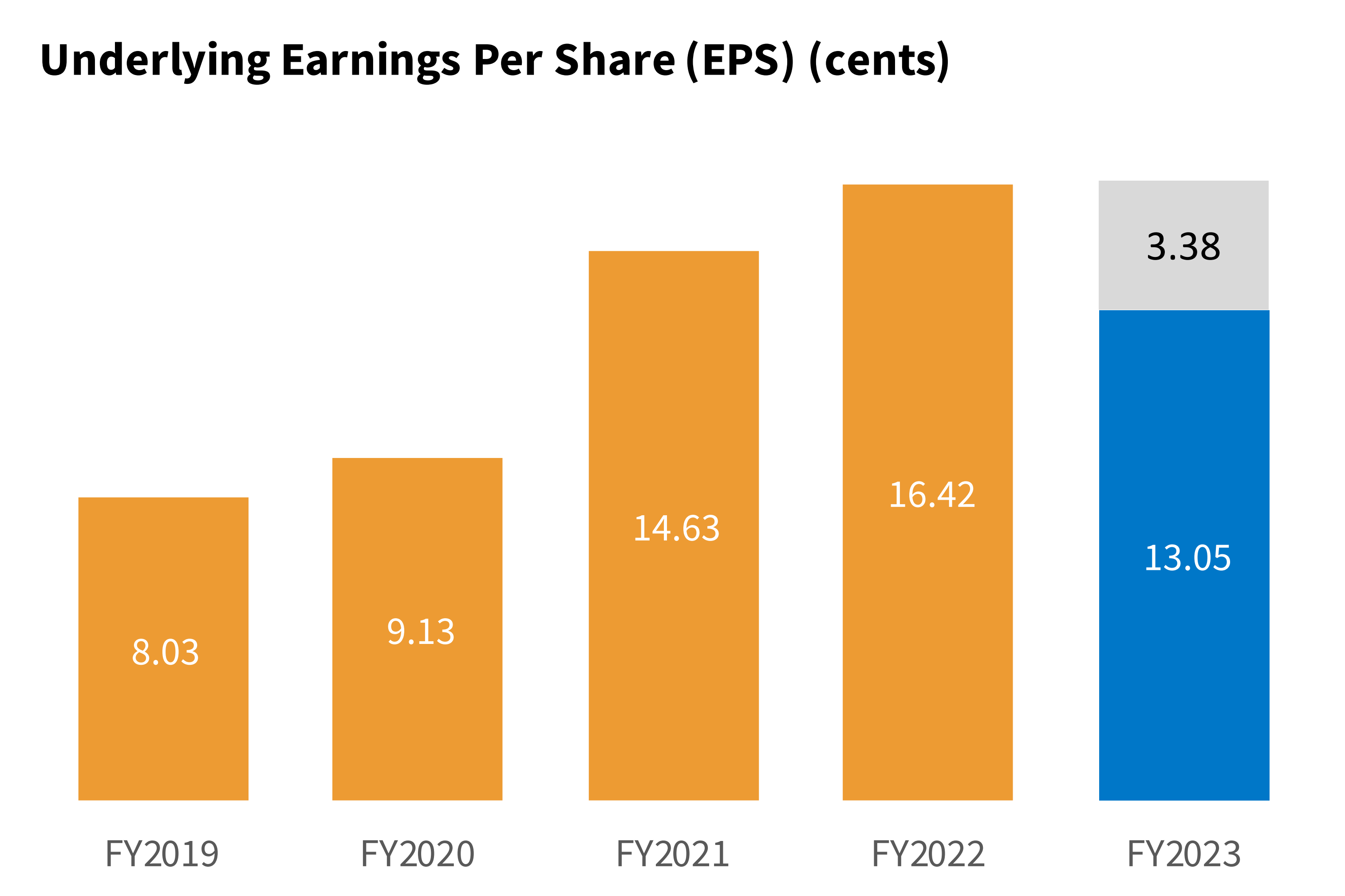
- Project revenue recovered to long term patterns and includes CQ Broker / advisory
- 5-year CAGR of 38% Recurring Revenue growth
- Organic ARR grew by 19% for the year
- Strong pipeline of projects, including significant (i.e. larger-than-typical) prospect
- Recurring revenue is 88% of total

EBITDA Growth – 32% CAGR



- The business has been impacted by a number of acquisition related one-off costs over the last four years including the current STG proposal
- Businesses acquired in FY2022 (CQ & Egssis) contributed $5.0mil in EBITDA
- Underlying EBITDA shows 4-yr CAGR of 32% (36% excluding Global Operations)
- EBITDA margin dipped slightly in FY23 due largely to investment in globalisation ($1.3M) and would be 30% excluding this globalisation effort

INVESTMENT IN GLOBALISATION PROJECT AFFECTED EPS



- Statutory EPS was 10.06 cps
- Underlying EPS of 13.05 is adjusted for one-offs (as per EBITDA and allowing for expected tax impact)
- Globalisation investment post tax amounted to 3.38 cps
- EPS consistent across years if globalization is excluded despite H1 2023 capital raise
- In FY25 the bulk of this investment will fall away

Customers continue to stick and grow

$mil	FY23	FY 22	FY 21	FY 20
ARR	43.9	36.8	28.9	20.3
Customer Installs	370	346	230	205
Churn	2.3%	2.3%	2.9%	4.1%
Average LTV/Customer	2.8	2.9	2.5	1.7
Net Revenue Retention	107%	-	-	-
LTV/CAC	38.1	29.4	28.9	14.8
Typical Contract Length	1-5 year initial term then annual renewal			
Gross Margin	64%	63%	62%	59%

- ARR has increased 116% since FY20
- Churn is in line with FY2022. Typically driven by market exits/consolidation.
- GM% arises from recurring (~88% of total) and project revenue (~12%), so a hybrid model.
    - SaaS gross margins 80%
    - Services-and-Software margins 65%
    - Implementation 40%
- Churn = ARR Lost/ARR Opening
- Net Revenue Retention = ARR Opening + Upsell – Downsell - Attrition

- Project revenues returned after market upheaval in FY23
- Strong organic recurring revenue growth
- Reduction in debt including interest bearing net debt
- The pipeline is good and interest is building
- Exciting global opportunity and Energy One is ahead of others to realise need and supply solutions
- Board declines to offer guidance at this time based on need to clarify project timings and other variables

SUMMARY

CYBER INCIDENT UPDATE

- Investigations ongoing, confirm first activity was 11 August 2023.
- We have no evidence of malicious activity on customer systems.
- The attack is upon corporate systems.
- Some personal and corporate information has been compromised. Analysis as to what was taken is underway, and we will be notifying affected parties.
- Cyber incident contained, such that the cyber attacker is prevented from further access to a system or network.
- We continue investigations and will update.

STG NON-BINDING INDICATIVE OFFER RECEIVED

- EOL receive fairly regular enquiries with respect to investment options including 100% ownership transfer.
- Following receipt of NBIO, the Company engaged Rothschild & Co to facilitate a process where a select number of parties received access to information & management to determine whether any approach would appropriately value the Company and maximise shareholder value.
- Engagement was informed on the basis of a potential buyer offering a platform for business growth, globalisation and realisation of value for existing shareholders and employees.
- This process resulted a non-binding indicative offer (NBIO) from STG
- STG have a proven track record of business ownership, investment and realisation of potential
- The Board believe it is in the best interests of the shareholders that they get the opportunity to vote on the proposal.

ENERGY ONE'S VISION IS TO BE THE WORLD'S LEADING PROVIDER OF WHOLESALE ENERGY SOFTWARE AND SERVICES SOLUTIONS

STRONGLY POSITIONED TO PROVIDE TECHNOLGY SOLUTIONS FOR THE CARBON TRANSITION AND RENAWABLE ENERGY GROWTH.

Questions?

ENQUIRIES

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