

**22 October 2020**

## **Energy One Limited (ASX : EOL)**

### **Annual General Meeting 2020 - Chairman's Address**

Welcome to the 2020 Annual General Meeting of energy one limited. please allow me to introduce our directors Ian Ferrier, Vaughan Busby and Ottmar Weiss, and our Managing Director Shaun Ankers, who are in our Sydney office. My name is Andrew Bonwick, I am your Chairman and I am currently in the Melbourne office.

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

In FY2020, Energy One began to see the benefits flowing from the strategy of organic growth and synergistic acquisitions made in prior years. Revenues (+28%) and underlying earnings (EBITDA) (+38%) both grew strongly, as did net profit after tax which increased by 26% from 2019 to \$1.647M.

This year was marked by the very successful acquisition of eZ-nergy in continental Europe and continuing organic growth of the Australian and UK operations.

The COVID-19 pandemic has had large impacts on populations and economies here and in Europe. Fortunately, the Company had a robust business continuity plan and a modern suite of IT systems to enable our employees to cooperate across time zones and geographies. This has allowed us to continue to engage with and deliver solutions to our customers, who predominantly deliver essential services. This has protected our employee's health and the Company's revenues. We anticipate continuing to successfully operate in this way for the foreseeable future.

#### **Continuing organic growth**

Contigo's product development and sales effort has led to solid organic growth, and we have observed a number of early signs of the value of eZ-nergy in the portfolio. Contigo (combining with eZ-nergy and with Australian products) have delivered several high quality major customers in 2020. The combination of 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 market in Europe.

The eZ-nergy business also has a highly focussed business process outsourcing offering. This offers the opportunity when combined with our enFlow product – designed and developed in Australia – to create a compelling service offering with automation of low impact processes and professional guidance of out-of-normal decisions. This a growing need for all businesses in the energy markets with the shift from stable thermal generators and big retailers to a complex web of renewables, batteries, load shifting and multiplying market participants.

Energy One's local operations are also growing. The Enterprise grade products (Energy One Trading (EOT), Energy One Offer (EO) and EnFlow (EF)) are growing their penetration of the Australian market. Our customers continue to increase their utilisation of our product portfolio which provides organic growth. Major customers often commence our relationship with the EOT product, to bring a robust modern enterprise solution to their Risk & Trading systems. Our experience then is that the other products are subsequently added to the mix, to solve the specific and systemic problems they were designed for.

The products in the Creative Analytics portfolio are suited to smaller energy companies and new entrants. While some of these may not be able to (yet) afford the Enterprise systems, neither can they run the gauntlet of managing their trading and risk position on spreadsheets, or using small suppliers to build an ok-for-now solution.

In addition, the products continue to evolve, increasing their capability and attractiveness to the customer. We are also seeing a shift toward the solutions products (EnergyFlow & EnergyOffer in Australia and the European products combined with EnergyFlow) being used in combination to solve operational problems for new customers.

The cutting edge move in Australia to 5-minute pricing has required investment in our products to make them ready in advance of the change, to allow internal and customer testing. We are well on track with this program. The increase in market complexity to accommodate the impact of renewable technologies on the grid will provide us with further market share opportunities, as participants move away from legacy systems that were designed for historic market conditions.

The combination of quality products, quality service, a focus on keeping close to our customers and providing them with a robust future state roadmap designed to meet the needs of their wholesale energy business will allow us to continue to add organic growth. Also, our SaaS model means that our Recurring revenue is above 70%, supporting our earnings and cash stability.

Over the past few years, Energy One has pursued growth through both organic expansion and targeted acquisitions. We will continue to be open to opportunities that strongly and synergistically add value to the Company.

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 has decided to declare a final dividend of 3.5c per share in this reporting period. The ongoing payment of dividends will be regularly reviewed by the Board in the future.

The Board were pleased with the success of the SPP in the latter part of the year as part of the eZ-nergy acquisition and to improve the robustness of the Company's balance sheet in a period of increased uncertainty. Importantly, it gives the Board confidence in our financial capacity to continue pursuing further synergistic acquisition opportunities – if and when they should arise. We were also pleased to welcome a shareholder as part of the eZ-nergy placement and in the placement in September to several quality small cap institutions.

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 year's results in Australia and the UK despite the disruption created by the acquisition in France of eZ-nergy, and the navigation through the COVID changes in operating method. This is a testament to the leadership of your CEO and the quality of the managers he has developed as part of his team.

**Andrew Bonwick**  
**Chairman**