



Quarterly Report

January-March 2024





Introduction

This has been a transformative quarter for Rowan Energy. A shift from a start-up to an established business has cemented our place in the market. The start of this year has seen us really grow up as a company and plug the gaps we need filling for stable national expansion. There were so many areas of the business that needed to evolve and adapt to allow us to push on and achieve our Q2 goals. We are very confidently focusing on total network expansion to create an enormous data pool of which we can use for various verticals. We also encountered new opportunities of which we would never have planned for at the beginning of January, and with them come new challenges for the team to overcome. We're focusing on expansion and adoption right now for a very good reason. We identified the flaws of predecessor innovators and found that scaling the decentralised energy model was the greatest challenge they faced, as well as unlocking the benefits of the model to those who truly need it: the people. When something becomes so large, so influential and adopted by an entire industry - we create a paradigm shift as inevitable as the sun rising every single day. You already know our goals, you know where the world is headed. In this report I will outline how we are executing our objectives and building the ladder to reach those goals, step by step.

Business Development

Manufacturing



As we were celebrating New Years 2024, the very first MID SmartMiners were rolling off the production line ready to be installed into peoples homes for the very first time. This new model was a huge step up from the original SmartMiner, which will eventually be phased out and fully replaced by the new model. We designed the new SmartMiner so that it could fit perfectly behind the meter to allow for a minimalist appearance for our customers.



We adopted a hardened mould instead of the metal casing and also added to it Rowan Energy SmartMiner branding so that it is easily recognizable in photos and marketing material. This new device has a much more user-friendly UI to appeal to a wide range of demographics who may not be as tech savvy as others.

Assembling a SmartMiner is so much more complicated than you can imagine. As the first batch of SmartMiners rolled off the production line, it was a culmination of months of work arranging shipping for the various components that needed to be assembled.

Kaizen Technology manufactures our hardware, that is true, but in order to do that we need to make sure they receive the right components at the right time and with acceptable quality standards in order to be able to create a fluid assembly line. We have numerous suppliers for numerous components all of which make up a piece of the SmartMiner. We landed a direct partnership with Raspberry Pi in order to have consistent communication and arrange an organised supply schedule in line with our demand. Each supplier of each component has a different Lead Time (time to reach Rowan Energy from when the order was placed) which needs to be accounted for at all times to ensure we receive stock exactly when it is needed.





Distributors

Once our stock has been quality checked and prepared for shipping, we require distributors who can effectively store the stock and move the stock to where it needs to go around the country. Distributors are a key component of the renewables sector and are responsible for receiving large amounts of stock imports such as solar panels, batteries, car chargers and then distributing them across the country to those who require them. These distributors do conduct installations themselves but their key revenue streams are acting as wholesalers to smaller installation firms who will require stock based on sales they conduct themselves.



Our first partnership here came from ESE Solar who we signed on as our exclusive wholesaler in Q2 2023. What this essentially means is that our other distributors first have to go through ESE in order to arrange a supply schedule and conduct the onboarding process. In Q1 this year it has been ESE's task to co-develop the strict processes we require for each SmartMiner installation. With them we designed and tested the "Rowan Installation Portal" which acts as an interface each engineer uses to track SmartMiner installations and relay relevant data back to us. Each engineer receives a "job sheet" that outlines everything they need to complete for a successful installation which falls in line with exactly what we have relayed to them.



The training is incredibly important for our business. It ensures that each SmartMiner is installed exactly the way we want it to be. It allows us to ensure quality even with a massive distribution network with hundreds of installation companies. It tells the industry that we are the real deal. We're here to do things properly, the right way. Sales training is also incredibly important as it ensures all of our products are marketed in the correct way using strategies and information we outline ourselves. This helps to avoid mis-selling and false advertisement.

Very soon we will announce a string of new distributors of varying scales who have completed this training and are ready to start selling our product and expanding our network. This will take our scale to the next level and open up a huge market share ready for capture.

Installers

Beneath our distributor layer lies the small PV installation companies. These companies don't have warehouses. They don't have van fleets. They don't have sophisticated distribution infrastructure. What they do have is consistency and numbers. There are around 1800 small independent installation companies in the UK and our aim is to train them, onboard them and ensure when they receive a call saying "Can I have one of these new SmartMiners?", they can contact their local SmartMiner distributor to receive that stock.

In order to do this we will be creating a dedicated application called the "Distributor Portal" which will allow our installers to request a unit and then allow our distributors to see who needs what stock and where it needs to be shipped to. This entire process needs to be very fluid and streamlined to ensure we don't just have stock lying around. There needs to be complete efficiency where one order equals one unit supplied and then the data can be modelled to calculate manufacturing targets.

Currently ESE is dealing with company training and onboarding but that will shift to a broader task once the additional distributors are onboard. At the start of January we had around 70 installation companies on the waiting list and by the end of March that number rose to just over 180. This is a significant number in terms of market capture and it grows by the week as we receive more and more calls inquiring about getting on the waiting list for training.



David has mentioned that these smaller companies do around 1 PV installation per day and can also do retrofitted installations to existing solar. Whereas distributors have a much larger operation and will do much more than just one installation per day.



Consumers

We are geared for adoption and expansion. Our products are designed for exactly that, taking in mind the main demographic for solar households and other DERs. A significantly vast majority of residential solar installations are in households where the average age is over 40. This includes a lot of pensioners who are not technologically capable and includes a huge number of people who do not trust cryptocurrency to any reasonable degree. In fact 89% of our customers were recently surveyed and would not be a part of the Rowan Energy network if we had a crypto-centric focus. Therefore, we adapt to market research we have gathered and allow the magic to happen on the backend.



Our distributors market our product as a “Carbon Offset Monitor” which is installed behind the meter to track and reward you for your carbon offsetting. We have seen great success so far in terms of sales and we are proud to be able to share heaps of photo evidence where you can actually see the SmartMiner installations. Very soon it will become standard to have a SmartMiner with all residential solar installations. A true industry staple.

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Creating a mass market product comes with many challenges. For example, no solar installation is the same as the next. Each one has different panels from different brands. Each one has different batteries from different brands, and sometimes no batteries. Some have completely different inverters that read and record data in a totally different way. Everything needs to be accounted for and the device has to be cross compatible with all the varying installations across the country. It is also worth noting that the solar industry has evolved considerably in the past 10 years. Older systems use totally different mechanisms to new systems which have to be accounted for too.



We recently completed the new Customer Application which is designed to be very user friendly and easy to understand for our target demographic. Within the app the customer is rewarded with “Rowan Reward Points” which can be redeemed for monetary rewards, straight to their bank account. The process is so quick and easy that anyone can get onboard and start tracking their generation data. We are breaking down the barriers to entry as much as we possibly can to account for our key goal of network expansion and adoption.

Cryptocurrency and blockchain is still scary to a lot of people. We aren't going to limit ourselves by shoving the technology in people's faces. The better option is to keep it simple to start with and slowly ease your customers into it. What matters more than anything in the cryptocurrency world is trust. The consumers need to have trust in you as a business in order to start easing them into web3. This is exactly what we are doing.





Hiring

Crypto Lead

Our new Crypto Lead joined us in early January to take over management of the crypto side of the business and take some weight off of David so he could work on important projects with full commitment. He is the key content creator, community manager and crypto marketing lead for Rowan Energy. All the reports, all the AMAs, all the promotional activities and community socials are all directly worked on by him. He essentially acts as the bridge between the web3 and web2 sides of the business where information is relayed and formatted in a way that is interactive and accessible by the community. He has extensive experience in the web3 space and is well known in many circles. He also specialises professionally in Financial Economics.

COO

Our new COO is an absolutely vital part of our business. She is the key coordinator for all of our goals and developments. Whenever a new opportunity arises or David has a new business concept he wants to execute, she is there to plan the following: “What do we need to execute the idea? How are we going to execute the idea? What will it cost to execute the idea?”. And once all that information has been processed she plans ahead our next moves. She has been involved in all aspects of the business so far from organising manufacturing resources to handling customer queries. With a business that has so many moving parts all at once, it takes someone like our esteemed COO to turn these once unorganised endeavours into a strategy where progress can be quantified effectively. With 20 years of experience in advertising and technology firms, she is an expert in leading high performance teams and scaling innovative start-ups.



Hiring

Lead UI/UX Engineer

She is one of our newer hires but has already proved to be an absolutely integral part of Rowan Energy moving forward. Her work on the Customer Rewards Platform has created a perfect user experience adapted for our demographic. She is very much a perfectionist in what she does and always conducts extensive research before embarking on a development project. All of our front-facing applications need revamping, both on the customer side and the blockchain side. Our new UI/UX engineer will be leading the design work to replace the old and outdated website, wallet and explorer into something that greater reflects our position as a market leader. With years of experience in the publishing, fintech and IoT industries - our UI/UX Engineer embraced a leadership role, spearheading the design of connectivity management platforms while championing user-centricity alongside customer experience teams.

Lead Software Developer

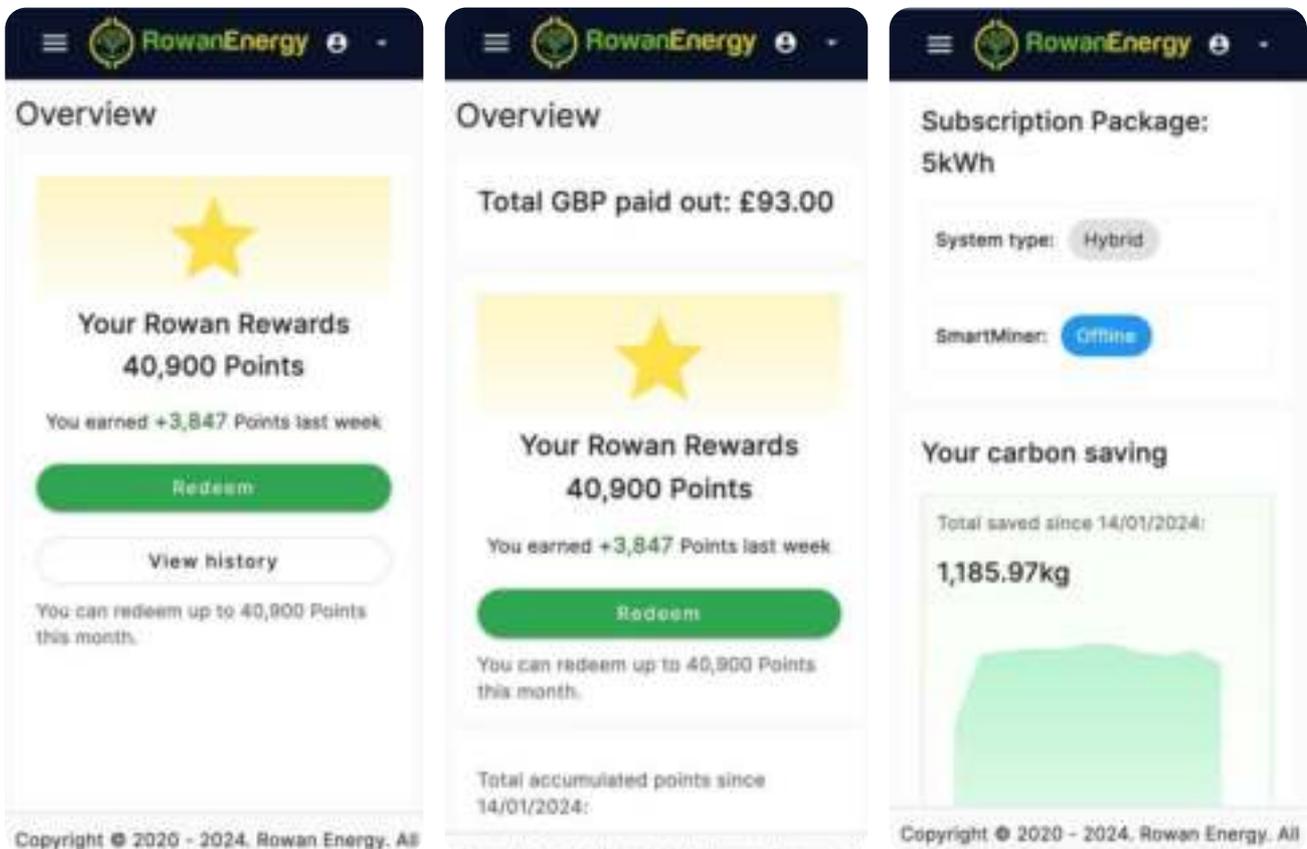
Our new lead software developer has been working directly with our CTO to design the systems for our SmartMiner network and the Rowan Rewards Platform. He is an incredibly capable engineer and has allowed us to achieve development sprints we otherwise wouldn't have been able to complete. We have had a lot of tight deadlines with the business ramping up in scale and with this new developer, we haven't just met them but we have gone beyond our clients expectations in terms of quality.



Operations Development

Rowan Rewards

As mentioned our Rowan Rewards vertical has been a primary focus for the business in Q1. It is our strategy to blitz scale the network using incentives and mass marketing techniques to attract all of our target demographic. We completed the new Rowan Rewards Platform which acts as an accessible interface for the members of our network. This is our solution to the problem of scaling this model, of which no one has yet been successful at overcoming. Our approach is very much geared towards non-crypto native adoption which taps into a market that is orders of magnitudes larger than the crypto-sphere. Consumers have very simplistic demands. They want a guaranteed return on investment and they want that to be easily accessible to be withdrawn. Everything else can work on the backend. Our goal really is to make our development verticals as easy to grasp and use as possible. In regards to the Rewards Platform, we are confident we have achieved just that.



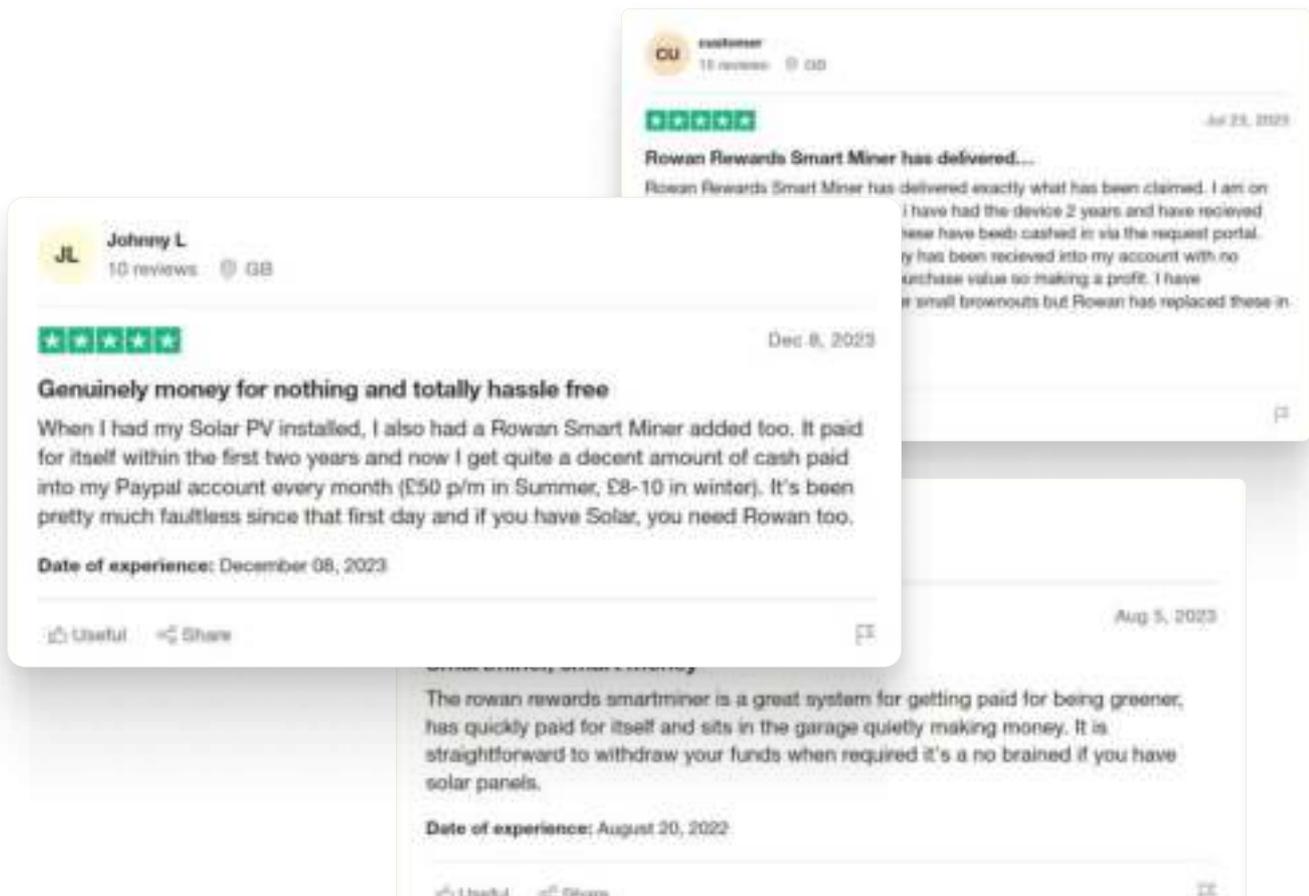


Carbon Certificates

Work on the carbon certification is ongoing. David did mention we are working with two carbon institutes to form a carbon standard for compliance. We are planning some very innovative verticals regarding the certification which will be announced in due course. The focus is still scale. The data we collect right now is the liquid gold and we do not lose that value immediately by not having this active. A majority of our data will come from the second half of this year when the business starts to reach exponential growth.

Decentralised Energy Trade

We have been in contact with various local communities to conduct pilots for our model. The testing work is still ongoing. In the meantime we have taken the step to directly contribute to new innovative legislation called the Local Energy Bill. We will be helping to write the third version of this bill in which the previous two versions lacked a clear technological solution which is a gap Rowan Energy can fill. We can't reveal too much about developments here just yet but pilots are actively being worked on and arranged.





SmartMiner Sales

In Q1 we sold 1700 units of the new MID SmartMiners to our wholesaler and sole distributor as of now, ESE Solar. We did however spend most of Q1 preparing for scale rather than total focus on sales. With the additional distributors coming onboard we can begin to quickly onboard many more installation companies and experience exponential growth with SmartMiner sales. There will be many more additional distributors demanding stock of which we need to match with supply. Additionally, we did reach a figure of 19 instals per day before we made the decision to slow down stock flow in March which is an impressive milestone for one distributor. As for network growth we now monitor 2.5MW of energy across the country.

New Opportunities

With growth and a flourishing reputation comes opportunity from many places. David is currently devoting a lot of time towards an exciting project we're announcing this year involving some massive names. It will really change the way a sector operates which is an exciting place to be in as a business. We can't wait to share more.





Web3 Development

Tokenomics

We started 2024 with a circulating supply of 187,000,000 coins after buying 8,000,000 when the prices were incredibly cheap in 2023. Throughout Q1 we have since purchased an additional 2,022,400 coins leaving circulating supply at 184,977,600. As sales ramp up throughout the rest of the year, we expect the buybacks to be considerably higher.

Blockchain

The Rowan Energy Blockchain is currently in the process of a complete overhaul and upgrade to allow for expansion beyond solar into other energy sources. This is essential to create our long term vision, an all encompassing decentralised intelligent grid. The first of its kind in the world. We want to bring all DERs on the blockchain and utilise a variety of use cases for each one. However, each energy source is completely different and requires modelling in order to effectively integrate them. This is the current blockchain work being done right now. Further announcements will be made in due course.



Notable Events

National Energy And Sustainability Exhibition

On the 12th and 13th of March we attended the National Energy and Sustainability Exhibition where David was personally invited to speak and give a presentation on the main stage, all about decentralised grids and the benefits it can have on local communities. The event was a huge success for us and we managed to connect with some really interesting leads for business ventures. David delivered an awesome presentation that made all the other companies, who offered no solutions and only outlined the problems, look boring compared to what David had to say. These events are great to connect with people within the energy industry as these companies are more likely to have possible synergies with us. There will be many more energy conferences and exhibitions of which Rowan Energy will be attending in the near future.

Power For People Collaboration

Throughout Q1 we had been working closely with Steve Shaw from Power For People to discuss how we can aid in the effort to make the Local Energy Bill a reality and unlock its vast benefits for the people of this country. We spent time discussing the technology required and how the Rowan Energy network could be the solution to facilitating this community energy revolution. We have now been asked to help write the new revision of the Local Energy Bill in order to provide clear outlines or the technology solutions to make this happen. This is a huge step forward for decentralised energy and we hope this is the stepping stone to make a decentralised grid with frictionless energy trade a reality. To be able to contribute to legislation gives all of us here at Rowan Energy a sense of empowerment, working towards something that will improve countless lives.





Closing Remarks

Every single quarter that goes by, we will be executing on our overarching vision by achieving the objectives that are needed to make it happen. We are on the cusp of an energy paradigm being rolled out on an enormous scale, where everyone can benefit from this technology. The period of building our infrastructure and preparing for mass scale is almost at its completion, with a strong foundation being built internally. We're ready for a bombshell Q2 as this extensive distribution network we have been forming starts to be fully deployed. Enjoy the ride Rowanaires.