

Energy One Limited
Chairman's Address
2017 Annual General Meeting



Ladies and Gentlemen

Welcome to the 2017 Annual General Meeting for Energy One Limited.

I welcome all attending shareholders and thank them for their presence.

You will have received the Notice of Meeting that was sent to all registered shareholders. I shall take the Notice as read. I note also that Energy One has published its 2017 Annual Report, and that it contains all the required Financial Statements and reports about the Company and its performance relating to the 2017 Financial Year. I shall now present a brief address on the Company, after which I will be happy to receive questions. I would be grateful if you could refrain from asking those questions until after I have finished speaking or until General Business.

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

Revenues (+18%) and underlying earnings (EBITDA) (+20%) both grew strongly, whilst net profit before tax increased by 5% from 2016. However, net profit after tax was lower, falling by some 34% from the year prior to \$0.307M due mainly to one off acquisition costs and additional overseas marketing and research expenses. I also wish to again highlight that recurring revenue streams now comprise the majority of all the revenues earned by EOL.

More detail on Energy One's operational performance can be found in the Chief Executive Officer's report.

I have previously reported that Energy One wished to pursue its next phase of growth through both organic expansion and targeted acquisitions.

Regarding acquisitions, management and the Board have devoted considerable time and effort during recent years evaluating multiple investment opportunities. Pleasingly, these continued efforts allowed Energy One to complete two acquisitions this financial year (pypIT in August 2016, and Creative Analytics (CA) in May 2017). The pypIT purchase has performed well, and early indications are that the CA acquisition will also be a strong performer.

The two acquisitions that were completed this year were funded via a combination of pre-existing cash reserves, bank debt facilities and new equity (issued to CA owner). Importantly, the resultant capital structure, when combined with the stronger cash flow emanating from these recent acquisitions, affords the Company considerable financial capacity to continue pursuing further synergistic acquisition opportunities – if and when they arise.

Organic growth has also continued to progress satisfactorily. Our customer numbers continue to increase, as do the number of products being used by those customers. With domestic organic growth opportunities well advanced and resourced, the focus has shifted to a targeted international approach – selling existing products into new geographic markets exhibiting suited characteristics. This investment has been evidenced by the increased level of overseas marketing and research expenses recorded this past financial year. International customer feedback received thus far (particularly in the UK and Western Europe) has been sufficiently positive to encourage Energy One to continue proving-up these potential markets during the coming twelve months.

In his report, the CEO also highlights other organic growth opportunities that may eventuate due to regulatory changes being contemplated by Governments to the operation of the Australian gas markets. Energy One continues to deliver transformational technology in a timely manner to help our customers adapt to such changes. Delivering complex projects on time and on budget has reinforced Energy One's reputation as a trusted supplier-of-choice for enterprise wide software platforms in the energy industry.

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 has decided to declare a final dividend of \$0.01 per share in this reporting period. The ongoing payment of dividends will be regularly reviewed by the Board in the future.

The limited market liquidity in EOL's traded shares on ASX continues to be a topic of discussion for the both the Board and shareholders. The introduction of a dividend reinvestment plan in conjunction with the payment of the final dividend this year is intended to provide an incremental improvement to this ongoing matter.

I reiterate that the Board of Energy One remains committed to maximising shareholder value by both growing, and improving the performance of the business going forward. In this regard I refer you to the investor update released to the ASX on Friday 20 October 2017.

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.

Ottmar Weiss