

31 May 2017

ASX ANNOUNCEMENT

Energy One Completes the acquisition of Creative Analytics Pty Ltd

Energy One is pleased to announce the successful acquisition of Creative Analytics - a business selling energy trading and market analytics software to customers in Australia, New Zealand and Singapore.

Creative Analytics is a leading supplier of energy market data and analytics via its NemSight data analytics Software-as-a-Service platform. The company also offers SimEnergy, an Energy Trading and Risk Management solution along with other market alerting and trading tools.

The business has 60 customers and 900 registered users and its software is used by most energy companies in Australia.

The acquisition will allow Energy One to increase its presence in energy market analytics and to bundle and consolidate trading platforms for customers.

Creative Analytics is a profitable business and has been growing for several years. In the next 12 months Energy One expects the business will contribute around \$2.5M of additional revenue and \$1.0M of EBITDA to the enlarged group.

Creative Analytics' products are well established and regarded in the energy industry. The NemSight platform is an analytics product offering in-depth data reports and market intelligence for electricity and gas customers operating in the National Energy Market (NEM). NemSight is regarded as a must-have tool by traders, generators and retailers. Sold using the software-as-a-service model, NemSight accounts for approximately 55% of revenues.

The other major product, SimEnergy, offers a cost effective ETRM package similar to Energy One's EOT product. SimEnergy is used by 13 customers such as windfarms, generators and retailers operating in the NEM. Energy One sees a good opportunity continuing to support the SimEnergy brand and offering bundled services and packaged offerings to customers going forward.

Energy One Limited purchased Creative Analytics Pty Ltd for a price of \$3,000,000, paid in cash and equity for 100% of the shares in Creative Analytics Pty Ltd from its founder, Mr Phil Sheppard.

The transaction will be funded as follows:

- \$2,700,000 in cash comprising \$1,750,000 from a debt facility provided by Westpac Banking Corporation, the remainder from cash reserves; and
- \$300,000 in EOL equity issued at 38 cents per share on 31/5/17.

Westpac is also providing EOL with a \$250,000 working capital facility.

For further information on the acquisition please refer to the attached presentation.

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About Creative Analytics

Operating for 15+ years, Creative Analytics brings packaged trading and market analytics software to customers seeking cost-effective energy trading solutions for their NEM business. The Company has 6 employees and office in Melbourne and Brisbane. With 60 customers and several years of successful operation, the company is well-regarded in the local market. (www.analytics.com.au)

About EOL

Energy One Limited is a supplier of software products and services to wholesale energy, environmental and carbon trading markets.

Listed on the Australian Stock Exchange since 2007, but with more than 10 years of market experience, Energy One has a successful track record of providing sophisticated, practical solutions to Australian and international energy market customers.

The wholesale energy market is complex, incorporating the trading of physical energy (gas and electricity) with the requirement to capture and settle contracts for hedging, trading and risk management purposes as well as a vast array of wholesale operations needs such as electricity bidding, gas nominations, pipeline logistics and environmental compliance management.

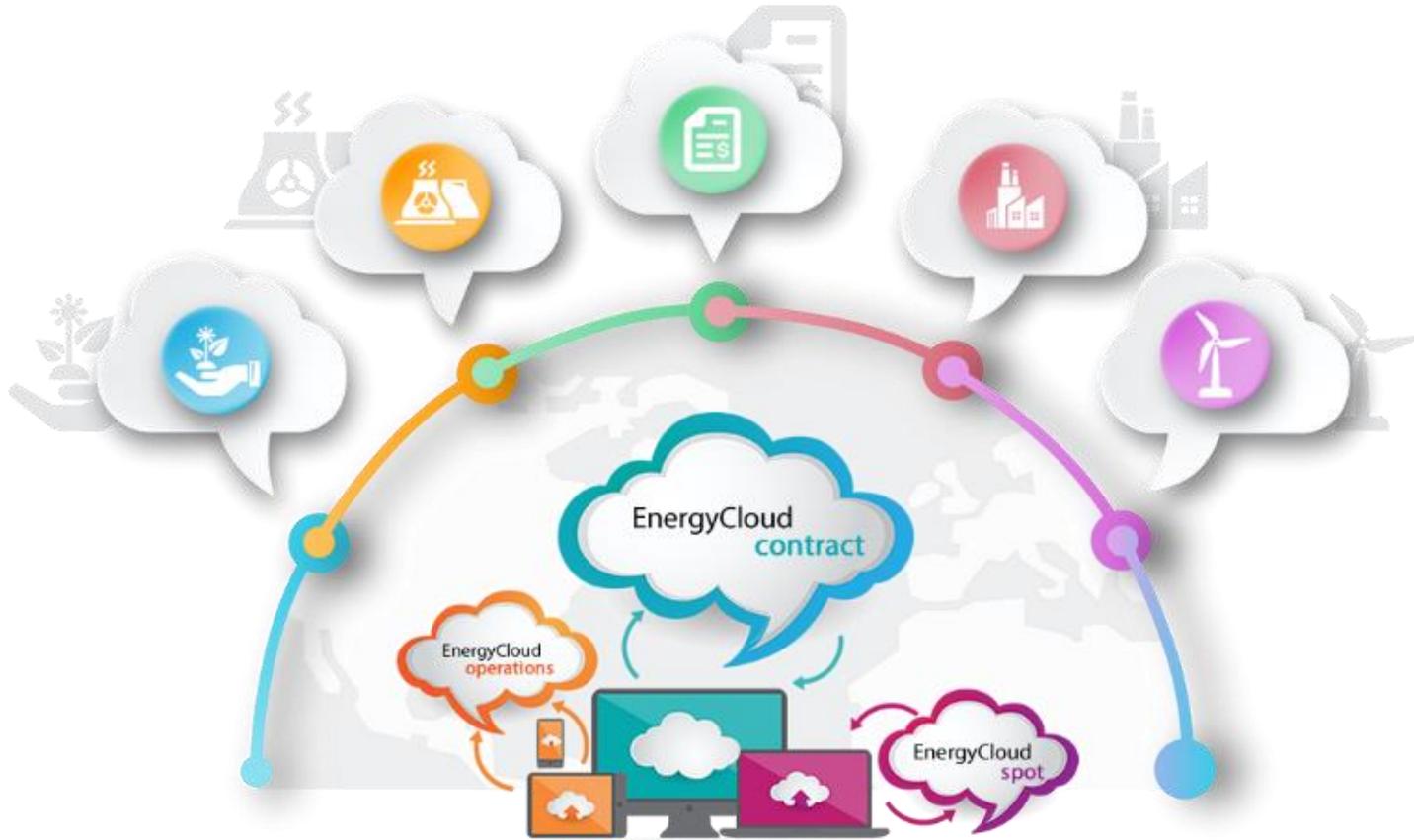
Our integrated Wholesale Energy Trading Suite makes all this possible by incorporating best-of-breed system modules to provide a single platform solution to enable generators, retailers, producers, shippers, large scale users and traders to manage their entire wholesale trading portfolio, specifically:

- Energy Trading and Risk Management (ETRM) for deal capture, risk and settlements – for electricity, gas, coal, oil and Environmental products including carbon.
- Physical Energy (Spot) Trading for all formalised markets for gas and electricity
- Wholesale market operations, gas nominations, contract and network optimisation.
- Energy Business Intelligence, data management, dashboarding and out-of-the-box reporting for managers of wholesale energy operations
- Market and network analytics for electricity and gas

Shaun Ankers
Chief Executive Officer

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Creative Analytics acquisition

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These forward looking statements speak only as at the date of this presentation. These statements are based on current expectations and beliefs and, by their nature, are subject to a number of known and unknown risks and uncertainties that could cause the actual results, performances and achievements to differ materially from any expected future results, performance and achievements expressed or implied by any such forward looking statements.

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EOL successfully acquires



Energy One is pleased to announce it has executed an agreement to acquire of 100% of shares in Creative Analytics Pty. Ltd.

This is EOL's second acquisition for FY17 with the acquisition of the pypIT business being completed in August 2016

The Creative Analytics acquisition will be immediately earnings accretive and fully funded using a combination of cash, bank debt and equity



Creative Analytics ... is about data analytics and trading tools

Creative Analytics sells energy trading and market analytics software to customers in Australia, New Zealand and Singapore. Two key products:

- NemSight
- SimEnergy

Creative Analytics also offers other trading and alerting software tools

The business has 60 customers and 900 registered users and its software is used by most energy companies in Australia.

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NemSight - the analytics tool of choice for energy traders

- The most widely used analytics platform for the NEM
- Must-have tool for energy traders
- Slice-and-dice, detailed market data analysis
- Software-as-a-service with 800+ users
- Blue-chip customer base
- Extends EOL's offerings

SimEnergy - a cost effective trading solution

- Used by 12 customers in Australia and NZ
- ETRM package aimed at windfarms, generators, traders and retailers
- Accomplished middle office (risk) analytics functions
- Complements EOL's *EnergyCloud* offering
- Incorporates various trading tools and alerting software

Creative Analytics will assist our expansion into gas markets

With well established platforms, Creative Analytics will provide EOL additional opportunities in the oil and gas trading markets to:

- market our existing gas solutions to newly acquired customers
- bundle products facilitating multi-energy analytics and trading
- add additional gas trading and analytics functionality to existing products



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Acquisition builds revenue diversity

- Combined business will have more than >70 customers including all the major energy companies in Australia, two in NZ and three in Singapore)
- Anticipated combined recurring revenues will be >70%
- Opportunity to cross-sell/bundle/package offerings to existing customers
- Greater leverage of future development in gas/oil markets through multi-commodity offerings to a wider range of customers



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Building a dynamic growing company

- EOL's domestic strategy is to provide customers with a one-stop-shop for wholesale energy trading software and services
- With offices in Adelaide, Melbourne, Sydney and Brisbane we can better service our customers
- Stronger team of 36 employees giving greater depth



Creative Analytics is a strong, successful and profitable company

- The company's products are established with over 10 years use
- Skilled team of 6 employees
- Head office in Melbourne. Brisbane office.
- Great reputation with 60 customers and 900 users
- Software-as-a-Service revenues.
- Creative Analytics current recurring revenues >90%
- Customer growth averaged 13% p.a. in last 3 years

Creative Analytics forecast FY17 financials

	Creative Analytics Forecast FY17* \$000
Revenue	\$2,500
EBITDA	\$932
NPBT	\$932
NPAT	\$694

EOL will capture one month of revenue and profit in the current FY, offset by related one-off acquisition and financing costs

*Pro-forma annualised – Based on 11 months to 31/5/17. Excludes any one-off acquisition and financing costs or accounting treatments arising from a combination with EOL

Acquisition metrics

Metric	
EBITDA* (Creative Analytics)	\$932,000
NPAT*	\$694,000
Acquisition Price	\$3,000,000
EBITDA multiple	3.2x
NPAT multiple	4.3x

* Pro-forma FY17 annualised before one-off acquisition and integration costs and accounting treatments

The acquisition will be funded using a combination of cash, bank debt and equity...

Funding source	Amount	Comment
Bank debt	\$1,750,000	
Cash reserves	\$950,000	
Equity	\$300,000	789,473 EOL shares issued at \$0.38
TOTAL	\$3,000,000	

Westpac is providing an acquisition loan facility

Given the recurring profitability and free cash flow being generated the company is now able to use debt to help fund acquisitions.

The loan facility comprises:

- \$1,750,000 3 year floating rate loan (payable over five years)
- \$250,000 overdraft facility



Acquisition is immediately earnings accretive

The acquisition of Creative Analytics will add immediate positive EBITDA to EOL.

Given 90% of the acquisition is being funded using cash reserves and bank debt it will be similarly immediately earnings accretive for shareholders.

Additional free cash flow also immediately provided.

Creative Analytics acquisition will also assist in reducing EOL's effective tax rate by offsetting R&D tax incentives from prior years

Company summary

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Company metric

Share price (30/5/17)	38 cents
Share price 52 week high	40 cents
Share price 52 week low	30 cents
Shares on Issue	19,732,842
Market cap (30/5/17)	\$7.5 million
Shares on issue	19,732,842

Substantial shareholders

Mr Ian Ferrier	33.6%
Mr Vaughan Busby	19.1%
Mr Ottmar Weiss	5.8%
Top 10 shareholders	70.8%
Directors	63.0%

Blue chip customers include:



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