

ASX/Media Release

For immediate release

8 June 2016

Energy Action ready to capitalise on energy market macro trends and appoints Mathews George as Chief Information Officer

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- **New strategic plan launched to capitalise on Energy Market Macro trends, Microgrids, Big Data and NABERS**
 - **Core solutions enhanced with the launch of Energy Metrics Platinum**
 - **Chief Information Officer (CIO) appointed to newly created role**
 - **CIO will ensure Energy Action continues to lead the market in technology development and implementation**
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Energy management technology and services company, Energy Action Limited (ASX: EAX) ("Energy Action"), is pleased to announce the release of a new Strategic Plan and the appointment of Mr Mathews George to the newly created role of Chief Information Officer (CIO).

Release of Strategic Plan

The strategic update detailed in the accompanying presentation has been developed in response to changing market dynamics, emerging technologies and maturing client expectations towards the management of energy. Key to these trends are changes within client buying behaviour. For many clients, energy is transitioning from a cost management exercise to a risk management commodity, or is being identified as an opportunity to generate incremental revenue streams.

Energy Action continues to diversify its core solutions offers to meet client needs and today announce the creation of an upgraded suite of Contract Management offers, namely, Energy Manager, Energy Bureau and Energy Metrics.

These solutions consolidate and align Energy Action's existing Contract Management portfolio into three clearly defined service and software offers that are the most comprehensive in the market. Energy Action is also pleased to announce that its Energy Metrics Platinum real time energy monitoring solution will be released in June. Energy Metrics Platinum provides real time cost and consumption trending and alerts without the need for additional metering infrastructure.

In parallel to investments targeted at extending the reach and application of Energy Action's existing Core Solutions, Energy Action is accelerating its investment in sales, marketing and solution development to capitalise on three key emerging energy market macro trends. Each of these trends represents a significant market opportunity for Energy Action. These are the development of Microgrids, the advent of Big Data and the opportunity represented by NABERS (National Australian Built Environment Rating System) to improve building energy efficiency.

The solutions targeted to address these segments have been successfully piloted over the last 12 months. The solutions leverage Energy Action's unique energy lifecycle management suite of Procurement Services, Contract Management Services and Projects and Advisory Services and are strongly aligned to existing offers and capabilities.

Appointment of Chief Information Officer Mathews George

Energy Action is pleased to announce the appointment of Mr Mathews George as the Company's inaugural CIO. Mr George has extensive IT experience, commencing his career with Oracle Financial Services. His most recent executive role was as CIO for MetLife Insurance Limited.

Mr George holds a Bachelor of Computer Science (Rani Durgavati University, India), a Masters of Computer Applications (M. P. Bhoj Open University, India), and is qualified as a Lean Six Sigma Green Belt.

In his role as Energy Action's CIO, Mr George will be responsible for the strategy and delivery of all IT matters. He will lead a team of innovative technology professionals and be responsible for setting the future architecture of the Company's IT landscape, while delivering regular product releases and IT upgrades.

Commenting on Mr George's appointment, Energy Action's CEO, Mr Scott Wooldridge, said: "We are very pleased to have attracted someone of Mathews' calibre to this new role and I welcome him to the team."

"Mathews has an outstanding track record of successfully designing, leading and delivering technology services and projects that align with organisational strategies and budgets. I am confident that in the role of CIO he will keep Energy Action at the forefront of innovation and technology."

Incoming CIO, Mr Mathews George, added: "I am very excited to be joining a dynamic company such as Energy Action in the role of CIO, and I look forward to working closely with all to deliver superior outcomes for our clients through best-of-breed technology and services. When our clients think about their energy needs, they should think of Energy Action."

Mr George's appointment will be effective as of 14 June 2016.

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Investor Presentation Strategy Update

Scott Wooldridge CEO

Michael Fahey CFO

8th June 2016



Energy Action is Investing for Growth



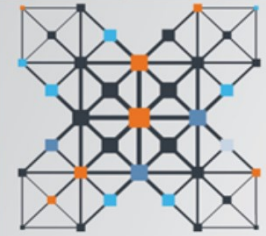
We have transitioned from a Procurement Specialist to a leading Energy Management Technology and Services provider



We have addressed the challenges around integrating acquisitions



We are now ready to invest in growth opportunities presented by the dynamic energy market



Microgrids



Big Data



NABERS

Agenda

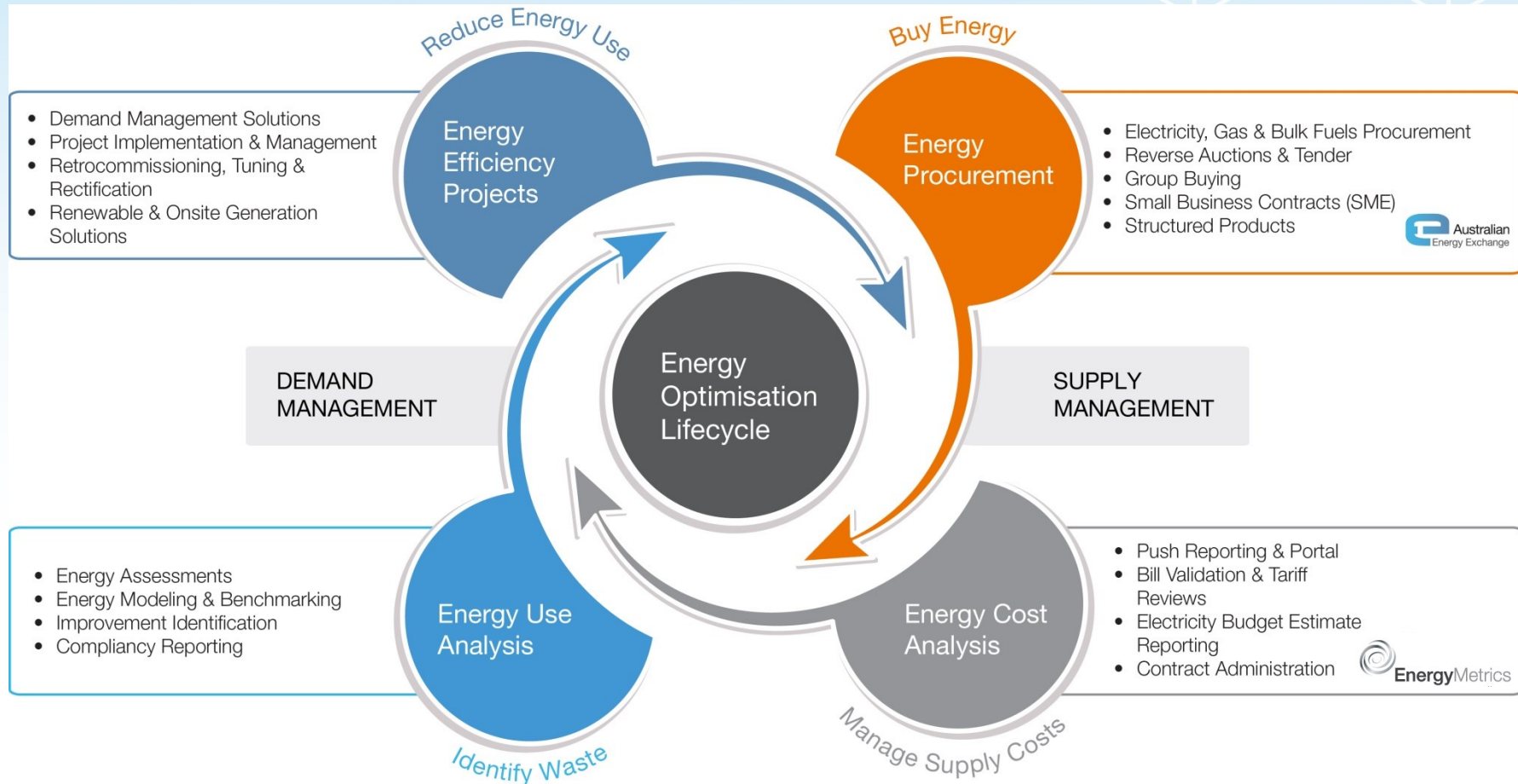
1. Snapshot of Energy Action
2. Our Vision
3. Market Dynamics
4. Our Strategy
5. Conclusion



We are Australia's leading energy management technology and services company

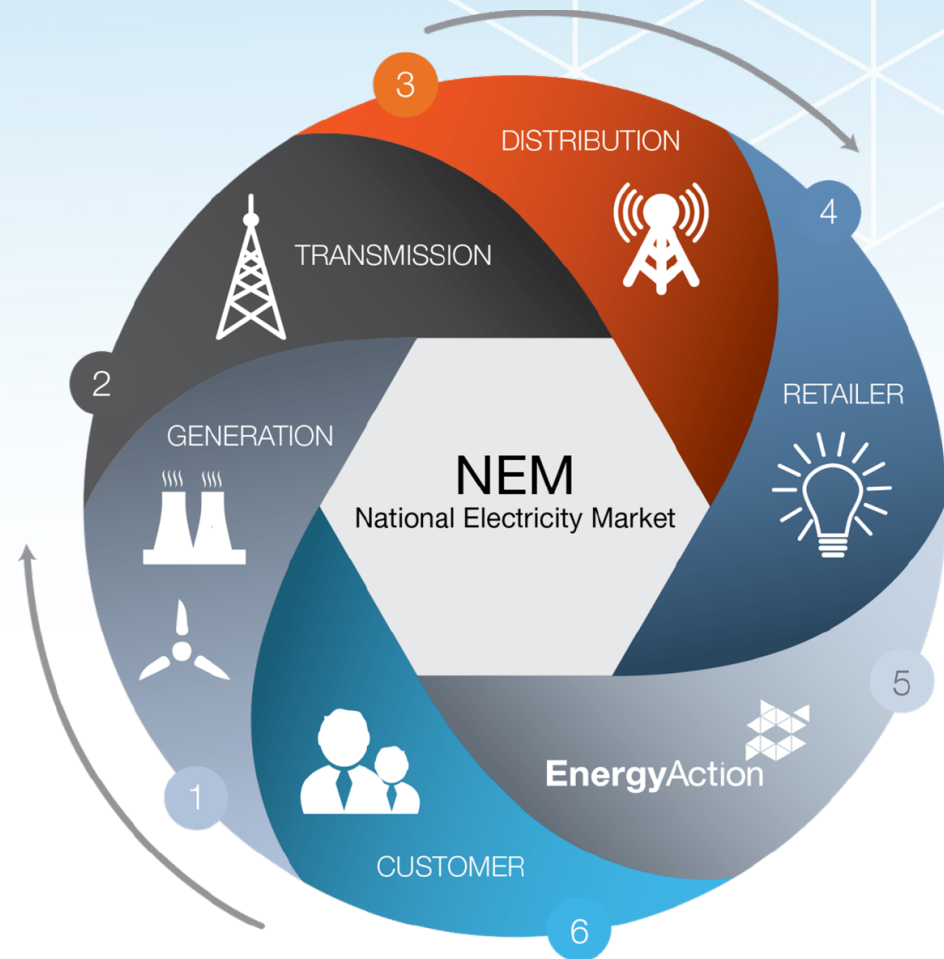
- > Created the market for online reverse auctions for electricity – settled approximately \$7 billion worth of electricity contracts since 2009 and provide the only market index for retail energy rates, the Energy Action Price Index
- > Market leading energy management capabilities across Procurement, Contract Management and Energy Efficiency Services
- > Established thought leadership within the global energy efficiency community, having played the key role in establishing numerous technical standards including NABERS
- > Consolidated other industry participants over the last 4 years, Ward Consulting, Exergy and EnergyAdvice
- > Over 5,000 customers and 25,000 sites under management across a diverse range of industry sectors
- > Over 150 staff with the head office in Parramatta (NSW) and sales and services offices in Sydney CBD, Canberra, Melbourne, Brisbane, Newcastle, Adelaide, Perth and New Zealand

Energy Action Delivers Business Outcomes across the Energy Supply and Demand Lifecycle

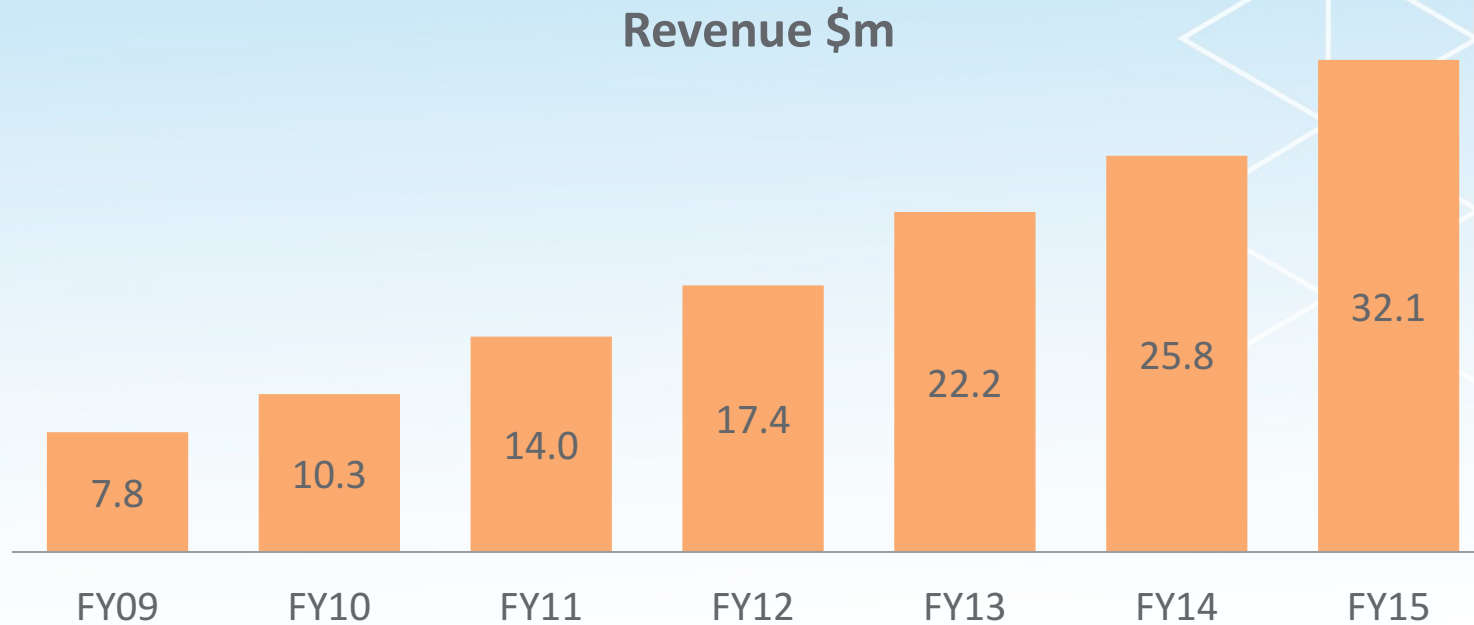


Energy Action position in the Energy Market

- > Energy Action manages the complexity of the generation, transmission, distribution and retail participants in the Australian energy markets on behalf of our clients
- > Energy Action delivers significant measurable cost savings for our clients
- > Energy Action reduces business's risk by managing energy price, quantity, source & compliance.



Consistent Revenue Growth



- > Revenue growth of CAGR 26.6% since FY09, boosted by the acquisitions of Ward Consulting, Exergy & Energy Advice.
- > FY16 Forecast NPAT range of \$3.4m to \$3.9m versus \$2.6m in FY15.



Our Vision

Our Purpose

Develop and deliver
innovative solutions for the
energy challenges of our time
for our clients and the planet

Our Premise

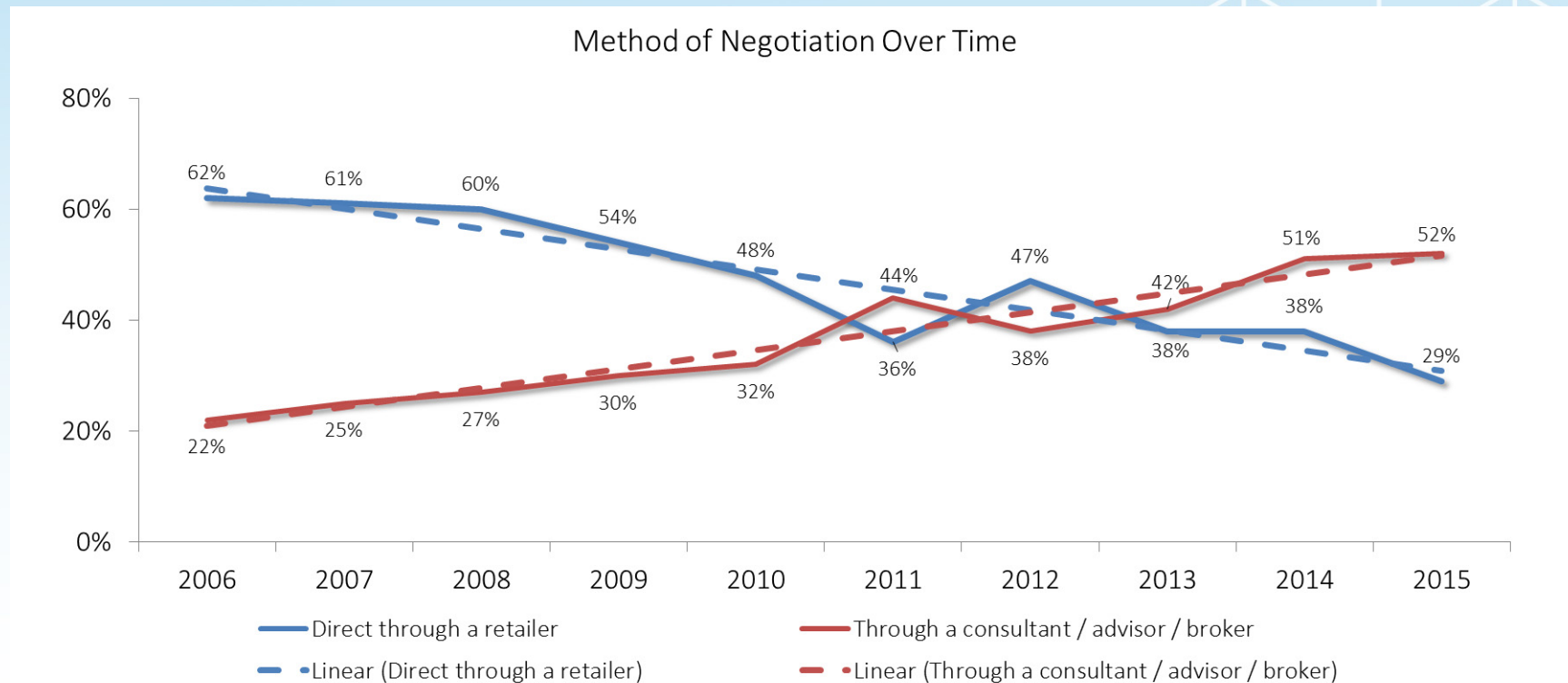
- > Energy Action is the lifecycle energy management partner of our clients, no matter how small or big
- > Energy Action provides its clients with a clear competitive advantage in managing their energy risks and opportunities
- > The energy market is dynamic, the company with the best data analytics capabilities and thought leadership will have access to insights and first mover advantage as the market evolves
- > Energy Action is not an Energy Retailer, we offer expert advice as an independent trusted advisor and are the market leaders in terms of size and capability



Market Dynamics



Consultant and Broker penetration estimated at >65%



Source: umi utility market intelligence 2016 survey results

- > The proportion of clients contracting directly with brokers and consultants continues to rise
- > The remaining 19% not using a broker or purchasing direct utilise buying groups, industry groups and such. A proportion of these also engage the assistance of a broker or consultant

Clients have access to more choices for Contract Management

Metering Agents With portals	Energy Retailers with portals	Small Brokers with Bill Validation and energy reporting offer	Organisations who offer comprehensive Contract Management Solutions	Software Vendors (SAAS)
  	  	75-150 organisations	 	  
				

Grid Supplied Energy Prices are Rising



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Three Macro trends that will drive the Australian Energy Industry



Microgrids

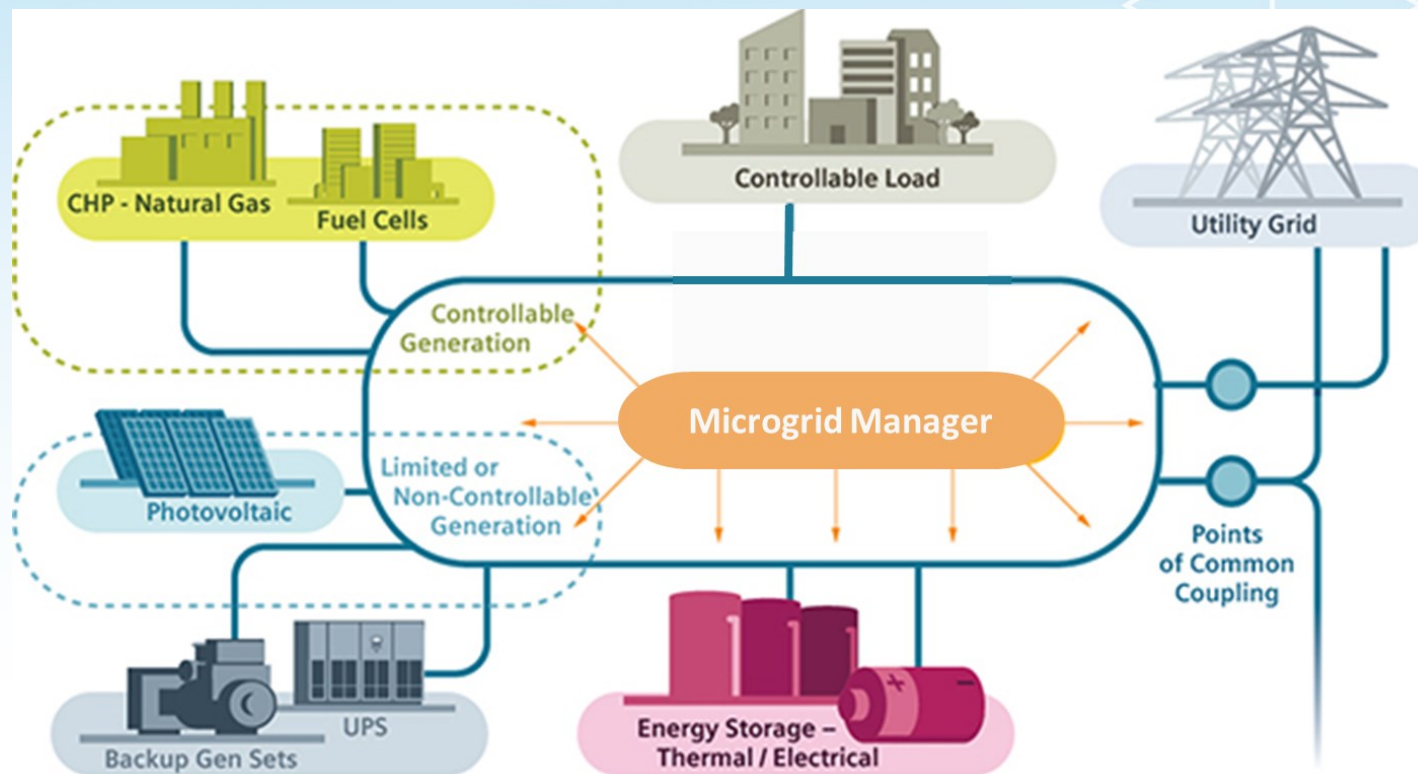


Big Data



NABERS

The rise of Microgrids

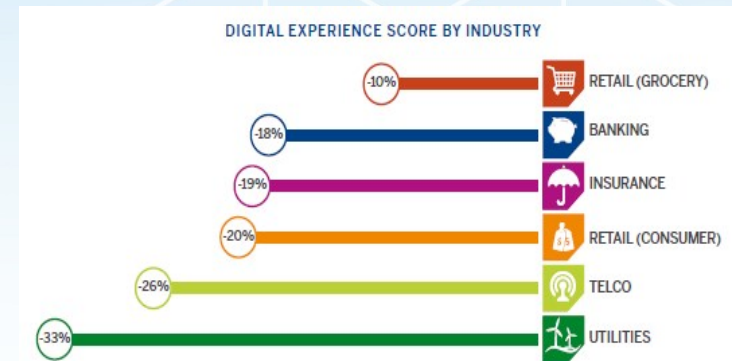


- > Between 25% and 45% of all generation will occur from localised Microgrid solutions by 2050 Australian Energy Networks Association 2015
- > Over 50% of Australian Shopping Centres currently operate an embedded network

Big Data – Digitisation for the Energy Community



- > Energy Utilities lag most other industries in their adoption of digitisation to engage clients
- > The advent of smart meters is increasing the access to daily energy consumption and cost data:
 - > 110,000 premises deployed in 2005
 - > 2,600,000 premises deployed in 2015
 - > 8m+ commercial, industrial and residential premises deployed in 2025
- > Data Intelligence solutions and applications have not evolved with the evolution of data availability



SAP digital experience index 2015

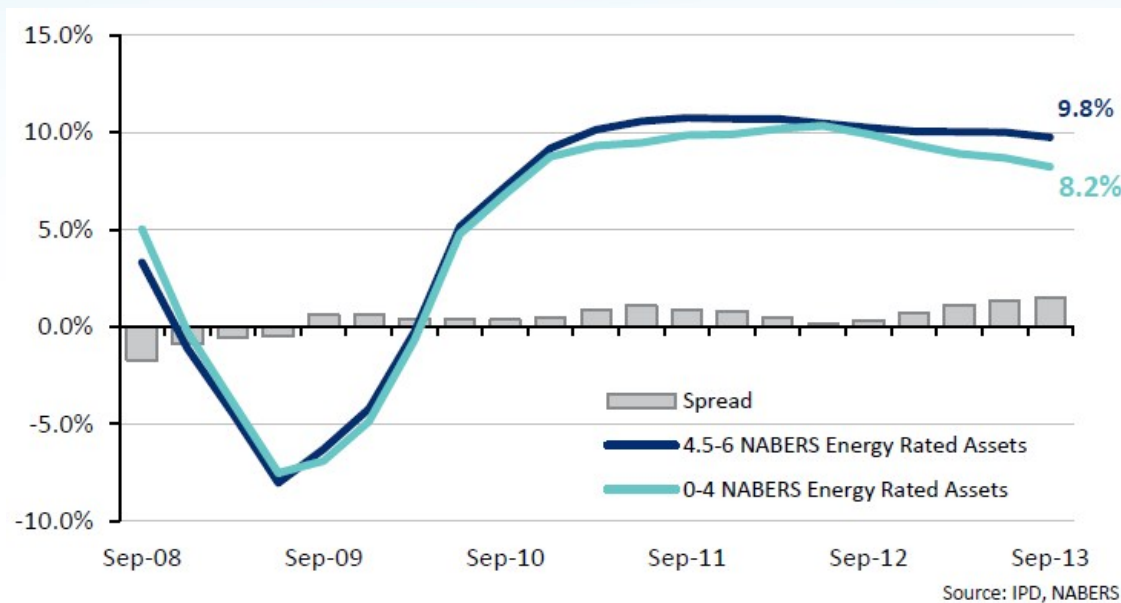


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Energy efficiency ratings directly impacting commercial property valuations



- > Australia leads the world in Energy Efficiency ratings schemes
- > Prime ratings scheme is NABERS
 - > National Australian Built Environment Rating System
- > Direct correlation between property ratings and the total investment return achieved by the property¹



Annualised total returns on a quarterly basis

¹Source: IPD / Department of Industry NABERS Office Energy Analysis 2013



Our Strategy

Our Strategy

Extending Core
Solutions Reach

Client Segmentation &
tailored offerings

Revamping Contract
Management Offers

Enhanced Product
Management

Accelerated Channel
Partner Programs



Capitalise on Macro
Industry Trend

Microgrids

NABERS

Big Data



EnergyAction



Extending Core Solutions Reach

Client Segmentation & tailored offerings

Corporate Sales

Business Sales

>\$10,000,000
20,000 sites

\$1,000,000 -
\$10,000,000
15,000 sites

\$250,000 - \$1,000,000
15,000 sites

\$30,000 - \$250,000
50,000 sites

<\$30,000 Annual Energy Spend per company
750,000 sites total market size

Lead Offers

Bureau Services
Structured Products
Energy Audits and NABERS ratings
Turnkey building upgrade design and implementation
Embedded Networks

Auction/Tenders
Energy Metrics
Energy Audits and NABERS ratings and Embedded Networks
Turnkey building upgrade design and implementations

Energy Auctions
Energy Metrics
Targeted Solar and Power Factor Projects
Energy Audits

Energy Auctions
Energy Metrics

Tariff Tenders
Energy Metrics Lite

Revamping Contract Management Offers

- > Creating a logical suite of Contract Management solutions to integrate current offers and address market demands, allowing a multi-tiered service delivery and pricing strategy



Integrated Procurement and Contract Management Service offered under a single monthly amortised fee arrangement



Multi-fuel, Contract Management and Environmental Reporting Solution delivered in conjunction with software partners



Electricity and Gas Contract Management Solution delivered from Energy Action's Enact software platform (previously Activ8)

Revamping Contract Management Offers

- > Launch of Energy Metrics Platinum
- > Access to real-time cost and consumption data



Enhanced Product Management

Accelerated Channel Partner Programs

Targeted industry segments

- Market share in 3 of the top 6 C & I segments is >15% and low single digit market share in the remainder
- Targeted Marketing and Sales investments to address the 3 underserved segments

Acceleration of new offers and features

- Investment in formal product management
- Targeted new offers and features addressing key client requirements

Improved Price Realisation

- Traditional pricing models have been uniform across all client profiles
- Introduction of tiered pricing structures and continuous pricing analysis to reflect cost to serve

Accelerated Channel Partner Programs

- Aligned to Targeted Client Segments
- Targeting complementary organisations developing an online presence



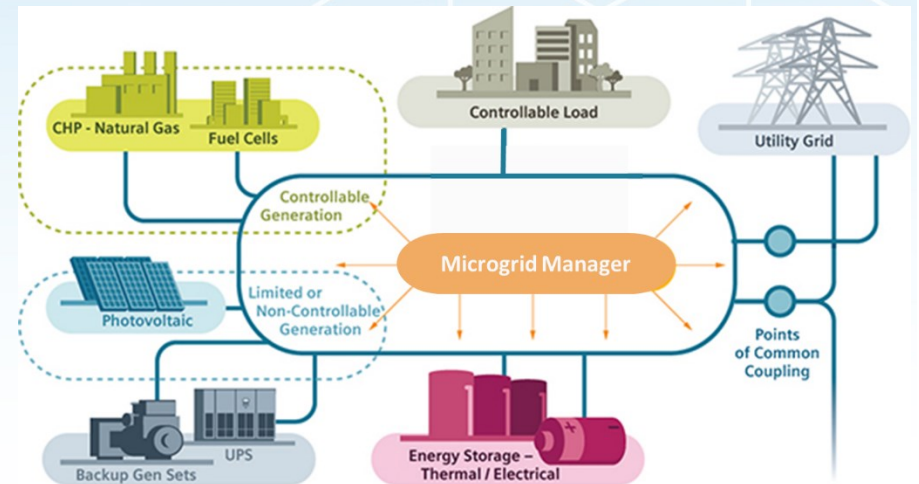
Macro Industry Trend

Microgrids



Microgrids

- > A microgrid is a small-scale power grid of that can operate independently or in conjunction with the area's main electrical grid.
- > Typical features include:
 - > A combination of local and grid based energy supplies
 - > Locally managed tenant metering
 - > Locally managed tenant billing



Microgrids

Tenant Metering, Monitoring and Billing Solutions

- > Charterhall Shopping Centre Portfolio
 - > System Design
 - > Electricity Procurement
 - > Reporting and Compliancy
 - > Managing tenant metering and billing
 - > Solar Feasibility



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Microgrids Onsite Generation

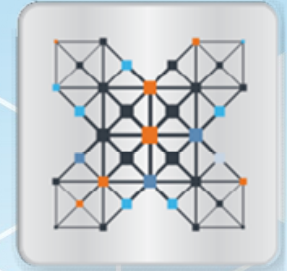
50 Marcus Clarke



- The primary objective of CIMB TrustCapital is to establish Funds outside of Malaysia that generate attractive risk-adjusted returns from a high quality portfolio of real estate assets.

Results of the partnership:

- Commissioning 100kW solar system.
- .25 NABERS increase
- 14% consumption offset



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Macro Industry Trend

NABERS



NABERS

National Australian Built Environment Rating System



- > NABERS is a 6 star Energy Efficiency rating scale used in:
 - Office Buildings
 - Shopping Centres
 - Hotels
 - Data Centres
- > 72% of Australian office space is rated using NABERS
- > Government tenants require a minimum 4.5 star rating
- > A higher NABERS rating generally results in lower outgoing costs and a higher rental return
- > NABERS ratings need to be performed annually

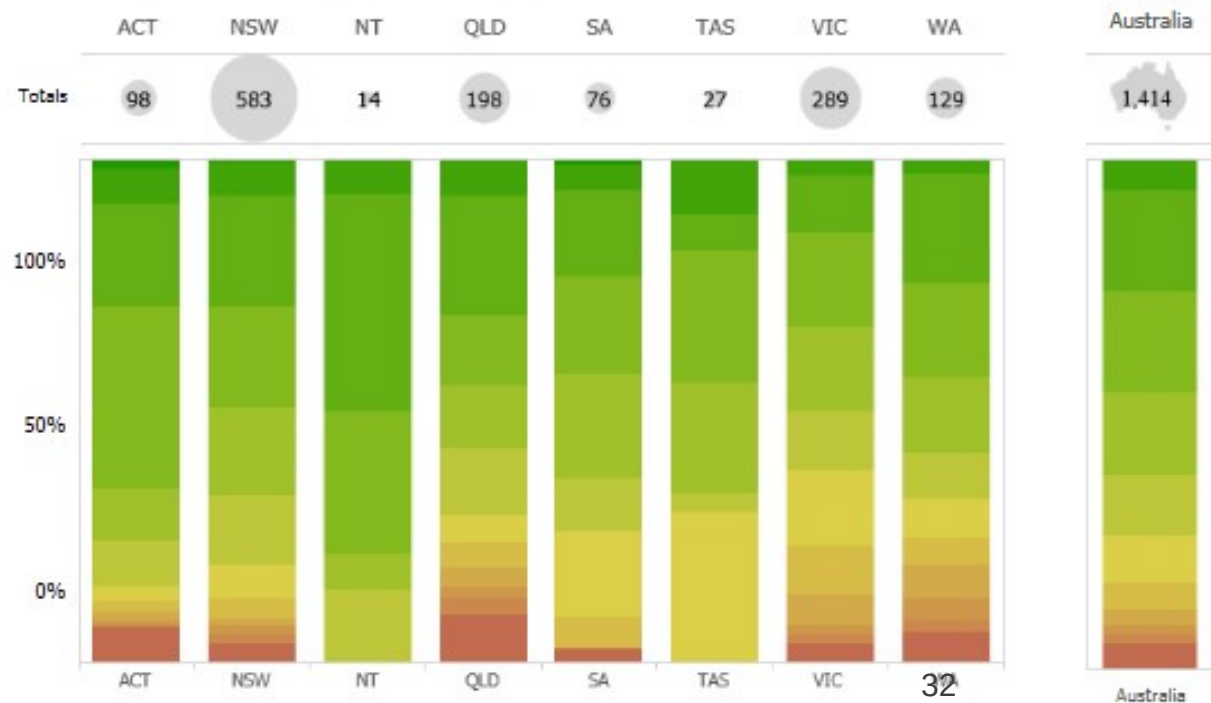
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Commercial Buildings Rated in Australia



	13/14	14/15	
Total Area of Buildings Certified (sqm)	16,406,658	16,861,972	2.8%
Number of Buildings Certified	1,389	1,414	1.8%
Average Star Rating	4.1	4.2	2.4%
Average Star Rating without Green Power	4.0	4.1	2.4%
Average Energy intensity (MJ/sqm)	575	567	-1.4%
Number of Buildings Achieving 5+ Star Energy Ratings	345	374	8.4%
Average GHG Intensity Scope 1, 2 and 3 (kgCO2/sqm/yr)	145	138	-4.7%

Geographic Distribution of Star Ratings



50% of rated buildings are below 4.5 stars



Source: OEH NSW annual report 2015

NABERS

Commercial Building Upgrades

44 Market St Refurbishment

- > 28,000m² A Grade Building, 2 Stars NABERS
- > Upgrade:
 - > Modify central air handling plant
 - > Upgrade controls
- > 50% energy reduction
- > Obtained 5 stars NABERS
- > 12 year energy payback
 - > building repositioned in market
 - > Includes end-of-life replacements
- > Total cost equivalent to \$145/m²



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NABERS

Expert Monitoring and Diagnostics Solution

- > Commercial building software and services energy monitoring and diagnostics solution
 - > Provides continuous NABERS benchmarking and building fault diagnostics
 - > Provides an annual guarantee for a NABERS rating
 - > Jointly developed with external software partners
- Solution deployed on award winning 5 Star Nishi building in Canberra delivering 40 individual energy optimisation opportunities within 14 days of go live





Macro Industry Trend

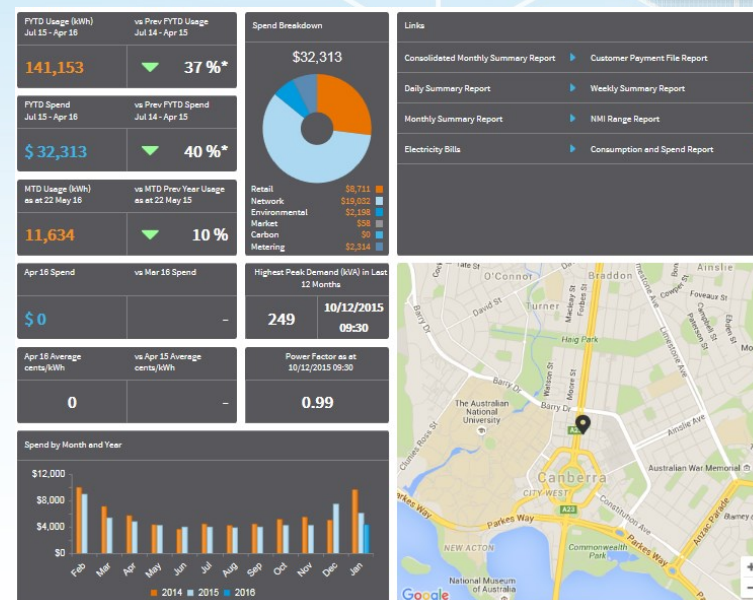
Big Data



Big Data

Client Centric Information

- > The deployment of smart meters allows daily or 5 minute access to data feeds extending the C & I data access market from 110,000 premises to 800,000 premises
- > Extends reach of core Energy Action's Procurement and Contract Management offers
- > Provides the platform for additional product offers, in particular mobility applications

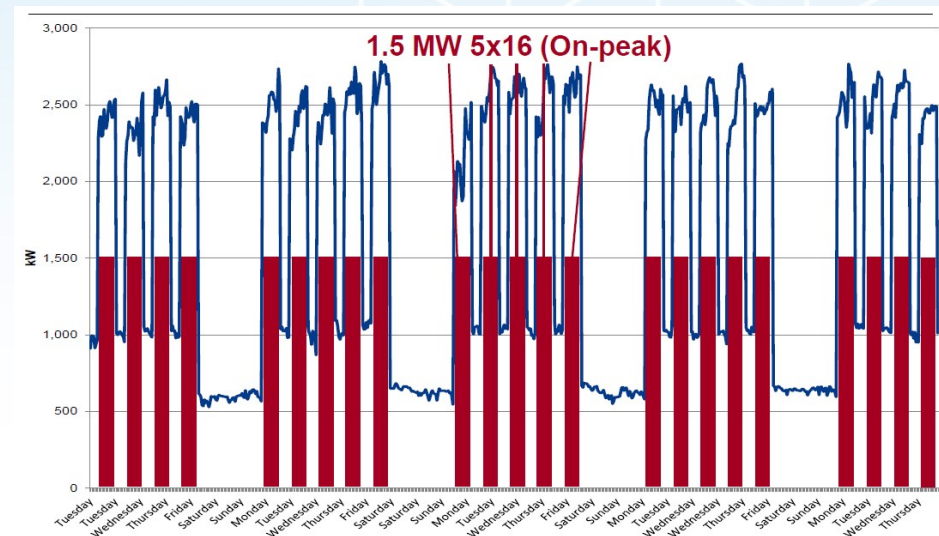


Big Data

Structured Procurement Solutions



- > Access to wholesale market data and improved daily and near realtime data access offers alternate high value Procurement Service Offers
- > Structured Products allows clients to procure Energy in shorter term blocks tailored to their load profile
- > Common approach in the UK and US to Energy Procurement for clients above 10GWh



EnergyAction



Market potential



Macro Industry Trends

Microgrids

- Designing, deploying and operating Commercial and Industrial Microgrids

Total Australian Market Potential

\$150m to \$250m per annum

NABERS

- Continuously monitor and tune buildings to maintain NABERS ratings and undertake targeted commercial building upgrades

\$300m to \$500m per annum

Big Data

- Leveraging access to enhanced market data to offer alternate Procurement and Contract Management Services

\$75m to \$150m per annum



EnergyAction



Conclusions

Changes in the market are underway

Positioning Energy Action to capitalise on these opportunities

- > Clients want more than a procurement service ...and Energy Action can provide value across the energy management lifecycle
- > Energy production and consumption is changing rapidly
- > Growth in core business as broker penetration continues to expand, and Energy Action extends it's core solutions reach via improved client segmentation
- > Investing for growth in adjacent categories
 - > Microgrids
 - > Building efficiency upgrades
 - > Big Data and Structured Products



EnergyAction

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