20 October 2017

Investor update FY 2017 & AGM reminder

Energy One Limited (ASX: EOL) is pleased to provide and investor update for the 2017 financial year. With the company's Annual General Meeting being held on Thursday 26 October 2017 at 10am in our offices at level 13, 77 Pacific Highway, North Sydney, NSW 2060, the company will not be holding a formal investor presentation.

We do ask that if you have any questions in relation to the investor update that you attend the AGM where you have an opportunity to ask questions in general business.

Shaun Ankers
Chief Executive Officer

Energy One Limited (ASX:EOL)

Investor Update for FY17

energyone

Disclaimer

This document has been prepared by Energy One Limited (EOL) and comprises written materials and slides for a presentation concerning EOL.

This presentation is for information purposes only and does not constitute or form part of any offer or invitation to acquire, sell or otherwise dispose of, purchase or subscribe for, any securities, nor does it constitute investment advice, nor shall it or any part of it nor the fact of its distribution form the basis of, or be relied on in connection with, any contract or investment decision.
Certain statements in this presentation are forward looking statements. You can identify these statements by the fact that they use words such as “anticipate”, “estimate”, “expect”, “project”, “intend”, “plan”, “believe”, “target”, “may”, “assume” and words of similar import.

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.

No representation, warranty or assurance (express or implied) is given or made by EOL that the forward looking statements contained in this presentation are accurate, complete, reliable or adequate or that they will be achieved or prove to be correct. Except for any statutory liability which cannot be excluded, EOL and its respective officers, employees and advisors expressly disclaim any responsibility for the accuracy or completeness of the forward looking statements and exclude all liability whatsoever (including negligence) for any direct or indirect loss or damage which may be suffered by any person as a consequence of any information in this presentation or any error or omission therefrom.
Subject to any continuing obligation under applicable law, or any relevant listing rules of the ASX, EOL disclaims any obligation or undertaking to disseminate any updates or revisions to any forward looking statements in these materials to reflect any change in expectations in relation to any forward looking statements or any change in events, conditions or circumstances on which any statement is based. Nothing in these materials shall under any circumstances create an implication that there has been no change in the affairs of EOL since the date of this presentation.

Contents

Operational review

FY17 - A strong year with more growth to come

- Successfully executing our growth strategy:
  - ✓ Diversification
  - ✓ Acquisitions
  - ✓ Geographic expansion

- Off-shore marketing results in first overseas sale.

- Increasing shareholder value.

energyone

We're successfully executing our long term strategy

Diversification

- Invest in new products
- Develop value-added services
- Migrate customers to newer versions
- Cross-sell products
- Develop recurring revenue streams

Grow customer base

- Offer a single-vendor solution
- Geographic expansion
- Sell into other industries

Grow by acquisition

- Acquire complementary products/services
- Distribution agreements

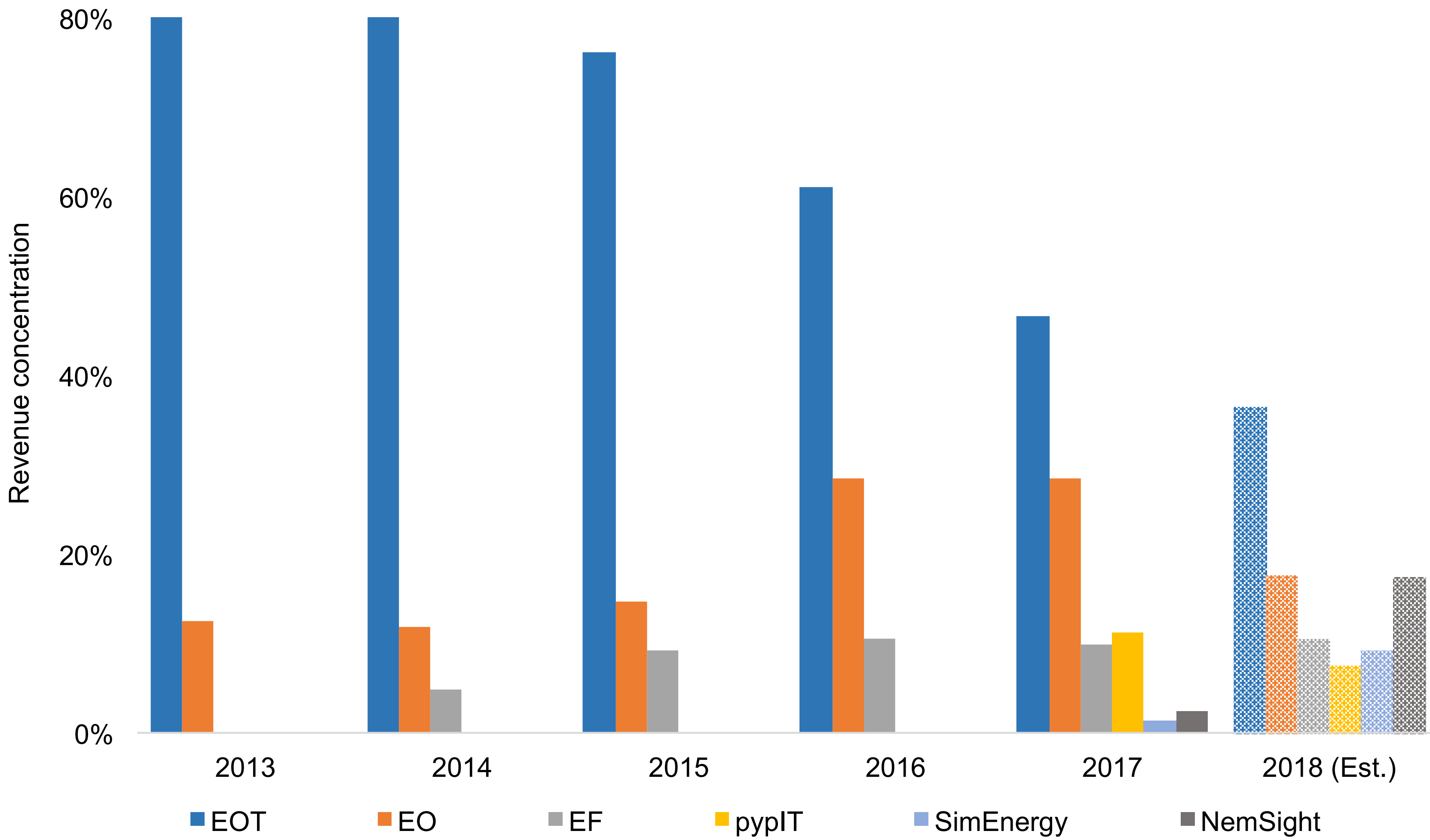
✓ Multiple new products developed / acquired in FY17

✓ Marketing in UK/EU during FY17 resulted in first off-shore sale

✓ Two acquisitions in FY17, continue to look for other opportunities

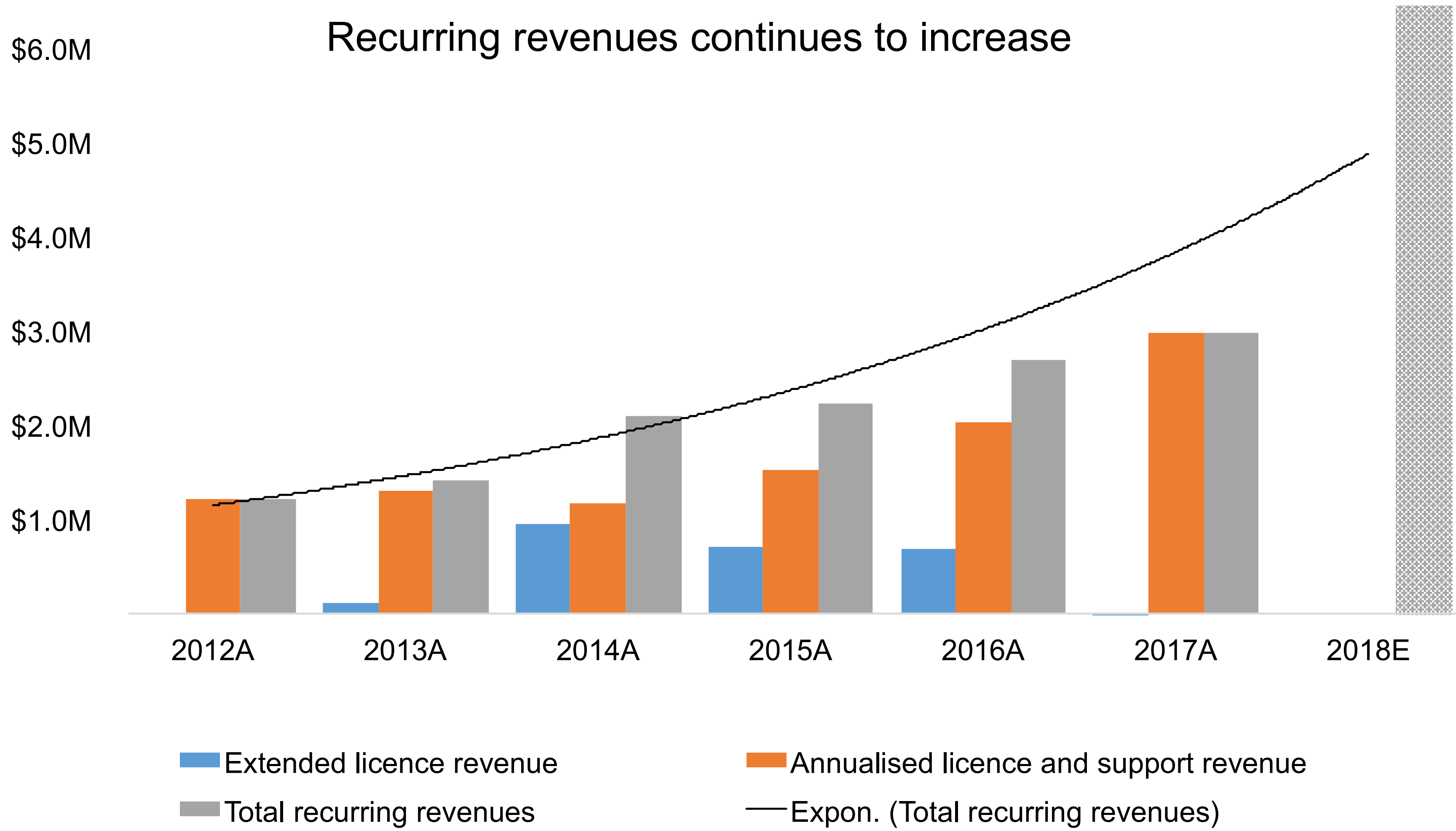
energyone

Greater product diversification is reducing revenue risk



* See additional notes on page 41

Revenue quality is also improving



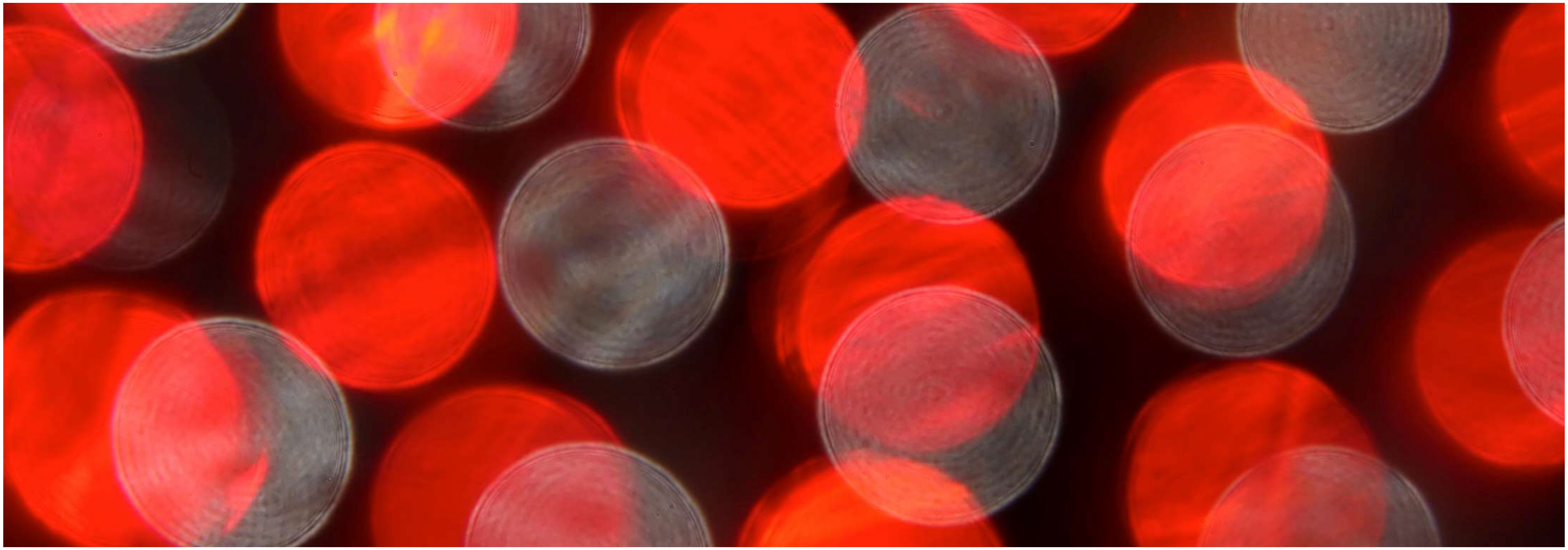
energyone

* See additional notes on page 41

Growth by acquisition in FY17 was also successful

During FY17 Energy One made two successful acquisitions

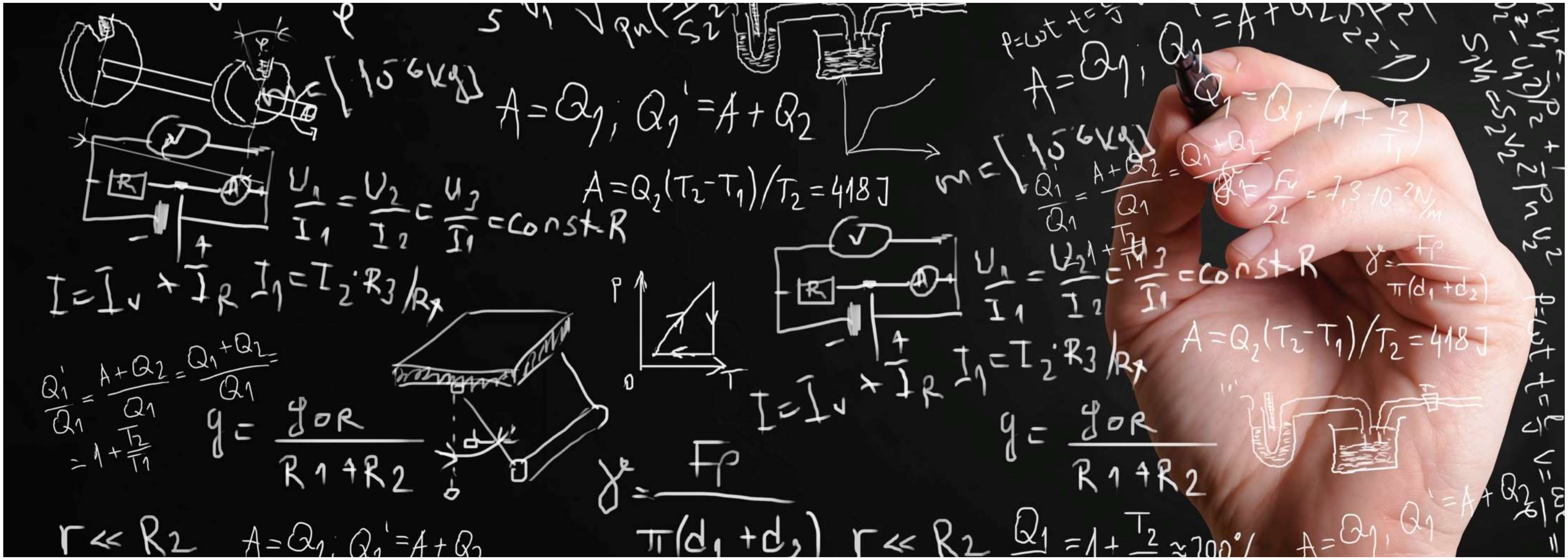
- October 2016 pypIT was acquired for $1.5M
- May 2017 Creative Analytics was acquired for $3.0M



pypIT improved our offering in gas markets…

Update:

- Acquisition is performing well.
- EOL's software now manages 40% of Australia's bulk gas transmission.
- Strong recurring revenues from long-term blue-chip customers.
- Now offering combined products enhancing services for gas customers.
- Future opportunities include capacity trading in 2018.



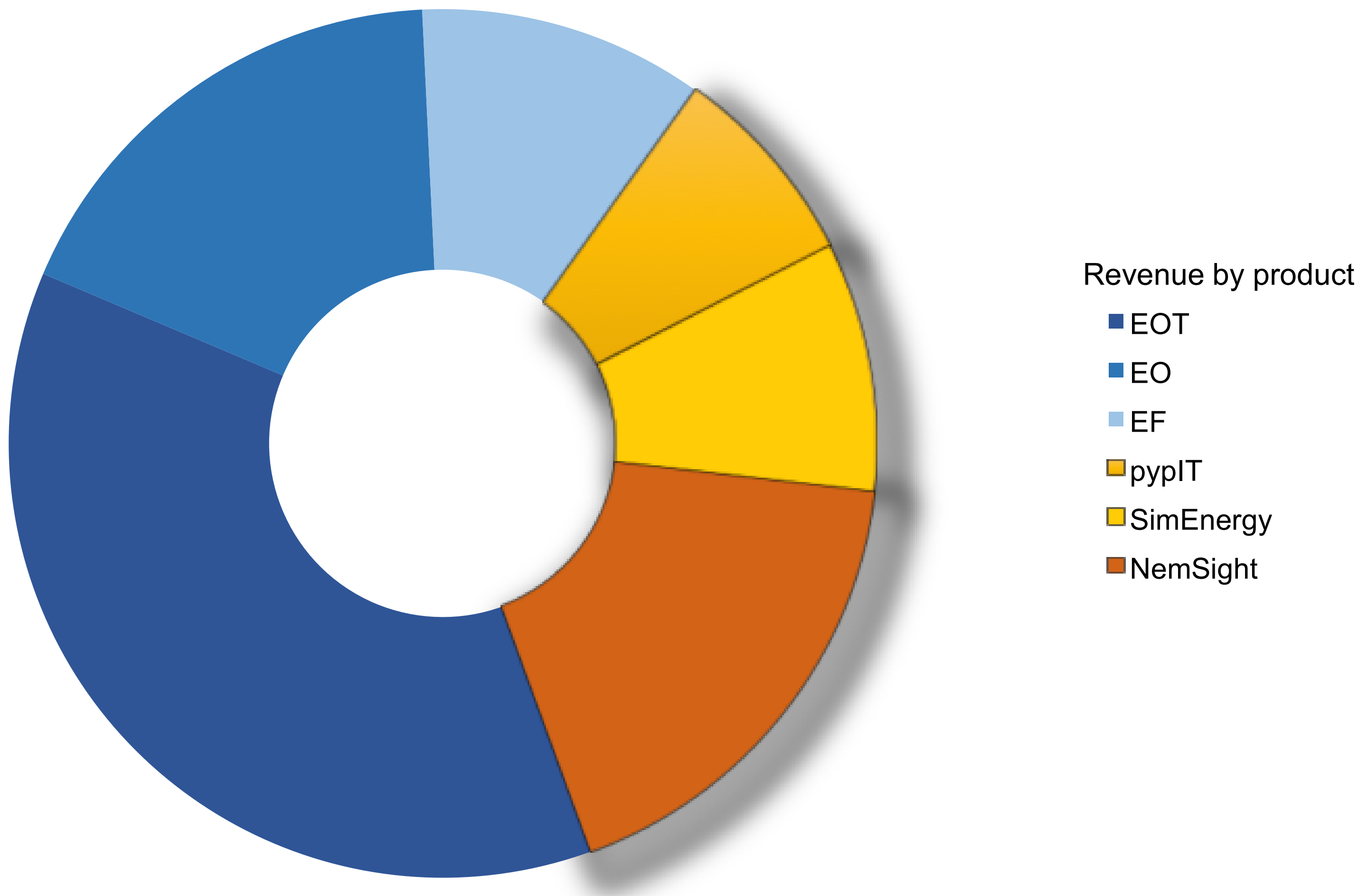
…and Creative Analytics improved our customer diversity

NemSight – The energy market analytics platform of choice for energy traders (60+ customers, 1000+ users).

SimEnergy – very popular, cost-effective ETRM complementing EOL's offerings.

Update: Acquisition performing well, new customers won, no customers lost.

These two acquisitions will contribute ~34% of FY18 forecast revenue



energyone

The acquisitions created substantial shareholder value

Both acquisitions were strongly earnings accretive and were predominantly funded using cash and bank debt.

The acquisitions will also help reduce the company's effective tax rate by offsetting R&D tax incentives from prior years.

Acquisition	Acquisition multiple	Price	Acquisition funding (Million)		
	EBITDA		Cash	Debt	Equity
pypIT	x 3.9	$1.5M	$1.50	-	-
Creative Analytics	x 3.2	$3.0M	$0.95	$1.75	$0.3
Total / average	**x 3.4**	**$4.5M**	**$2.45**	**$1.75**	**$.03**

energyone

With low interest rates EOL will continue using bank debt for acquisitions where possible…

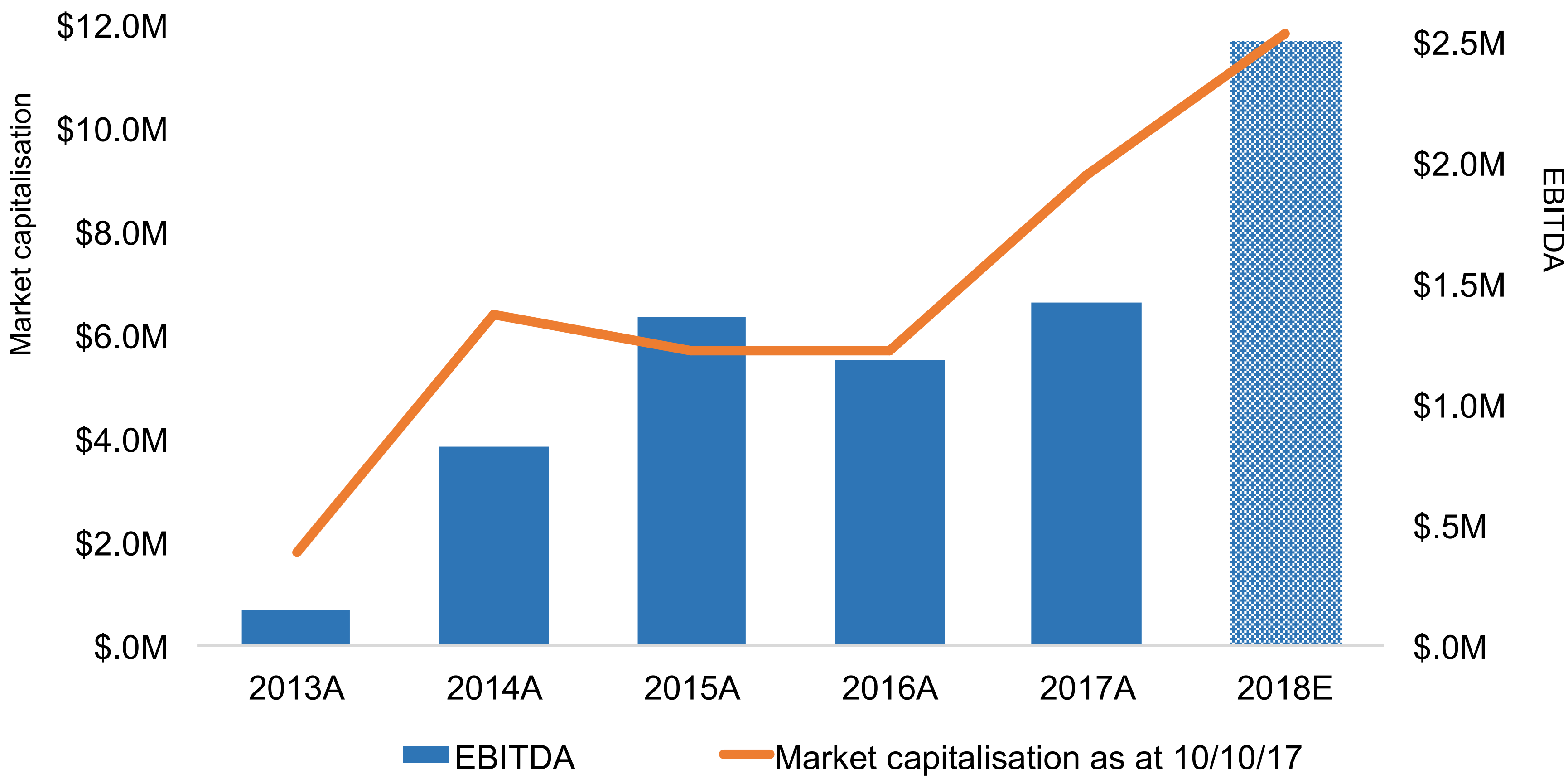
- The $1.75M debt facility represents less than one times FY18 forecast EBITDA
- Gearing ratio is less than 20%
- The interest rate as at 30 June 2017 was 4.26% vs. EOL's WACC at ~10% (pg 42)

energyone

…however, should the need arise, the company will raise additional equity to fund larger acquisitions

energyone

Good foundations have been laid for future growth in FY18 and beyond



energyone

* See additional notes on page 41

Financial review

Financial results summary

	30 June 16	30 June 17	Change
Revenue	$5,167,000	$6,117,000	18%
Recurring Revenue	$2,699,000	$2,978,000	10%
Underlying EBITDA	$1,176,000	$1,415,000	20%
Underlying NPBT	$924,000	$967,000	5%
NPAT	$464,000	$307,000	(34%)
NTA / share (cents)	9.8	24.2	(59%)
Cash and equivalents	$2,228,000	$468,000	(78%)

* See additional notes on page 41

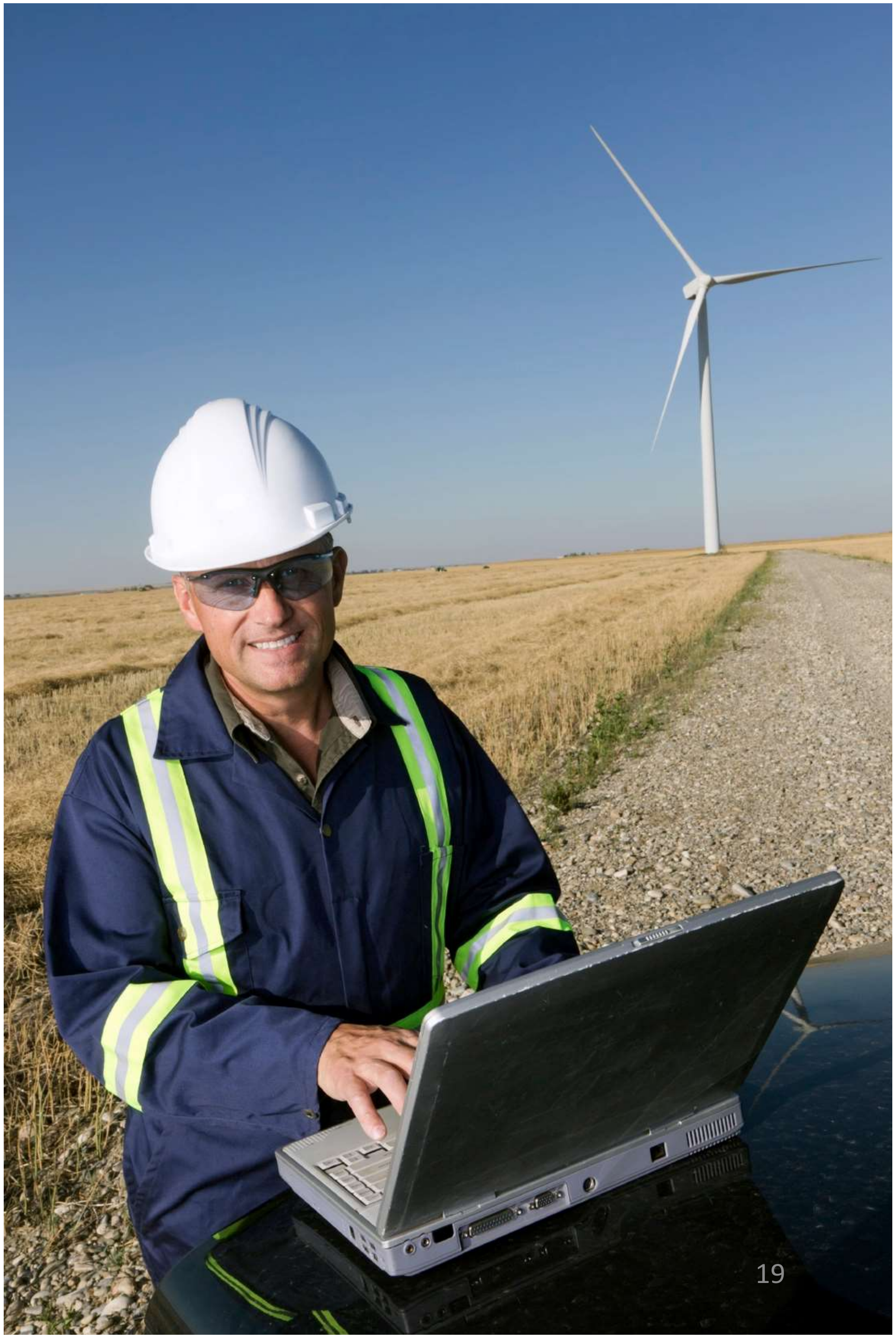
Fourth consecutive year of profit while investing for future growth

Maintained investment in the research and development of new products of ~$1M or 16% or revenue.

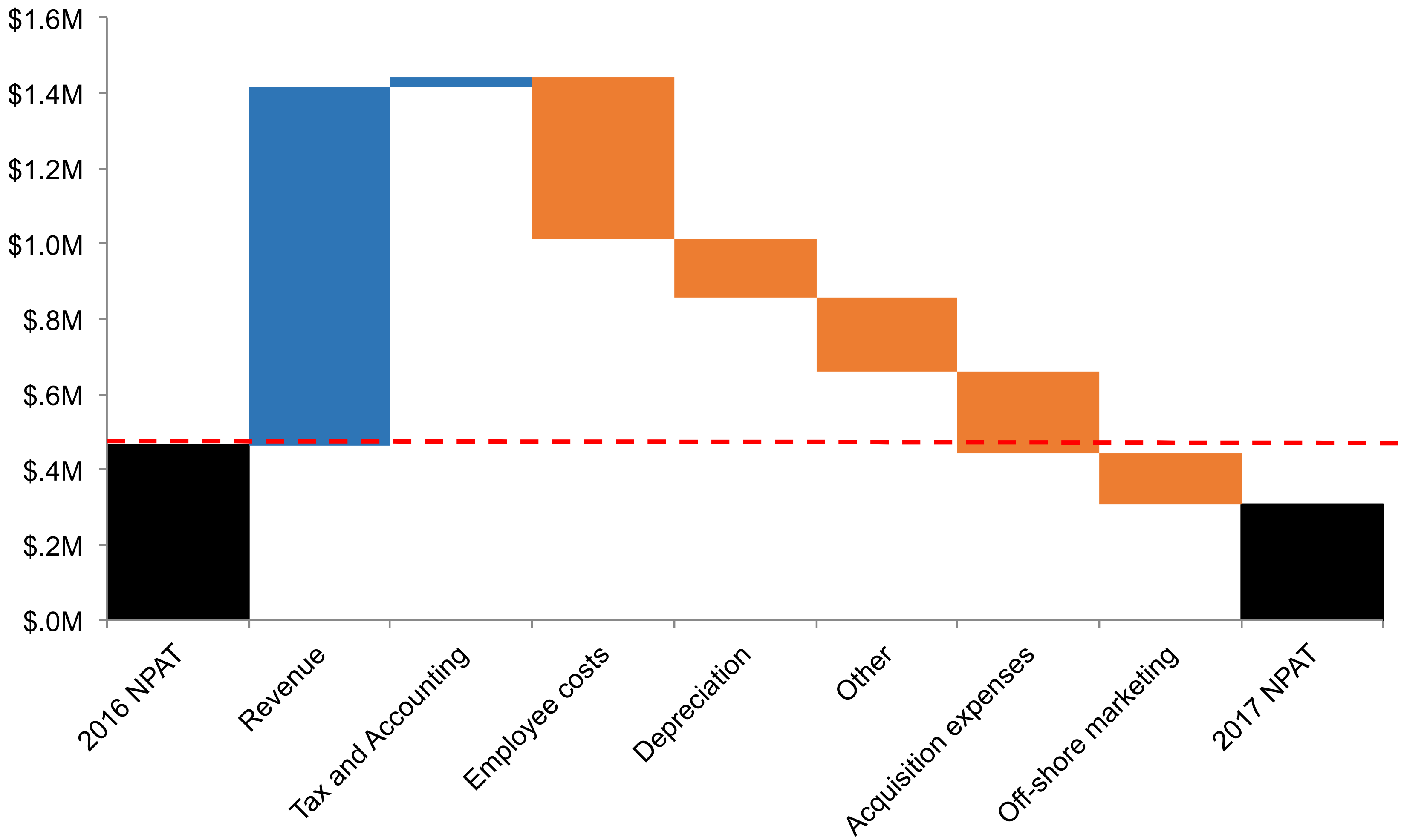
Continued investment ($136k) in exploration of the UK and European markets.

Invested in two strategic and synergistic acquisitions within our natural market space.

energyone



One off expenses for acquisitions & overseas research impacted NPAT



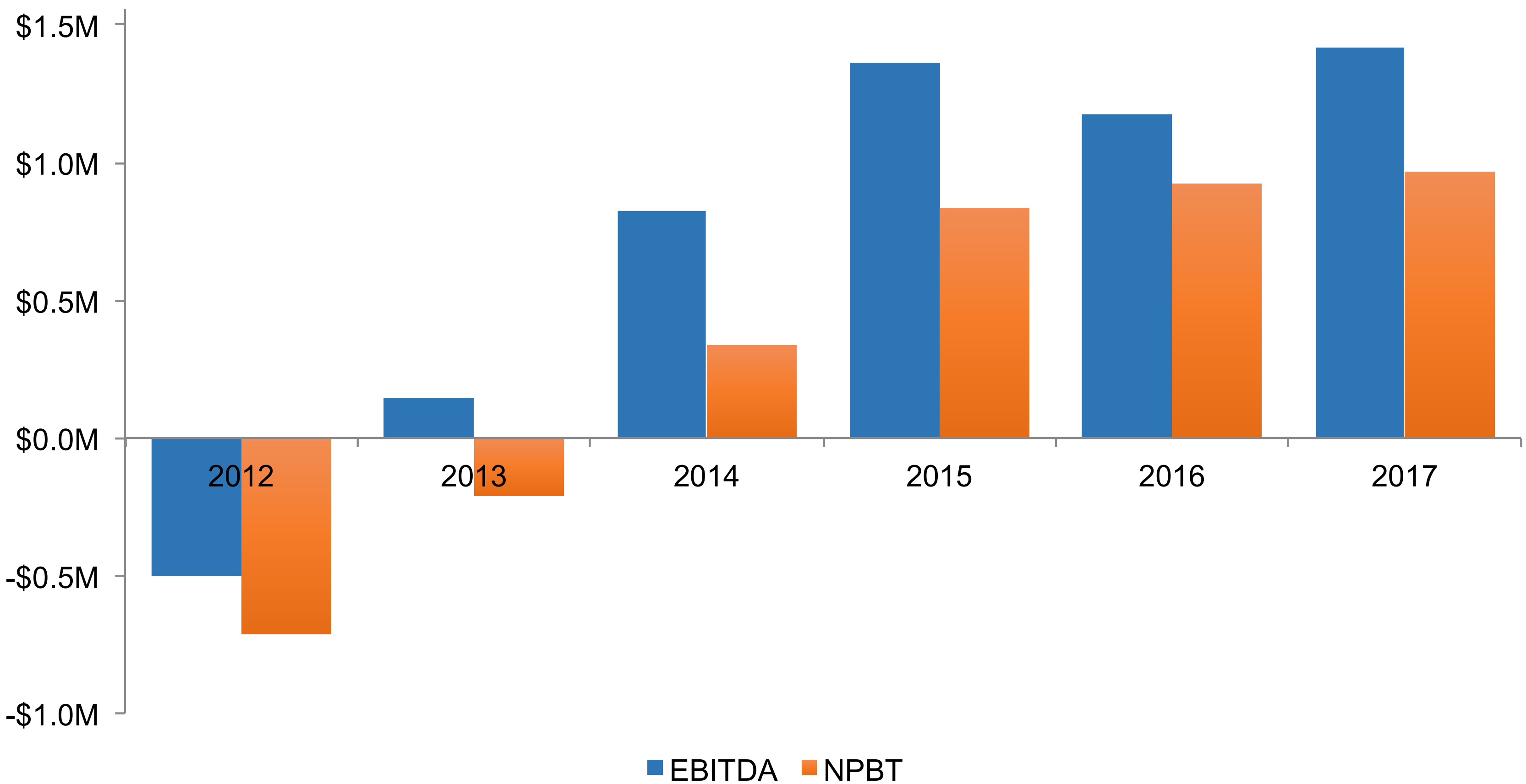
energyone

Profit & loss statement

$'000	2014	2015	2016	2017	
Revenue	**2,848**	**4,768**	**4,583**	**5,429**	Includes 10 months contribution from pypIT, 1 month CA
Other revenue	606	782	584	688	R&D grant & interest
Direct project costs	(56)	(33)	(43)	(59)	
Employee benefits expense	(1,713)	(3,003)	(2,674)	(3,065)	Increased due to acquisition and investment in capability
Rental expense	(160)	(169)	(193)	(215)	New Adelaide office
Consulting expense	(367)	(477)	(311)	(402)	Project resources (predominantly variable cost)
Insurance expense	(44)	(58)	(60)	(71)	
Accounting fees	(62)	(78)	(88)	(78)	
Acquisition expense				(217)	One-off
Overseas marketing				(136)	Market exploration of UK/EU potential
Other expenses	(172)	(309)	(514)	(611)	In line with 2016 as a percentage of revenue
Depreciation & Amortisation	(542)	(585)	(361)	(513)	
NPBT	**338**	**837**	**924**	**750**	Underlying $967k, excluding one-offs
Tax	-	(149)	(459)	(443)	High effective tax rate due to prior R&D incentives
NPAT	**338**	**687**	**464**	**307**	
Underlying EBITDA	**825**	**1,362**	**1,177**	**1,414**	
Underlying EBIT	282	776	816	901	
EPS (cps)	*1.90*	*3.86*	*2.51*	*1.62*	$300k of shares issued as part of acquisition
Dividend			***0.01***	***0.01***	Unfranked

energyone

NPBT consistently strong despite investments in innovation and diversification



energyone

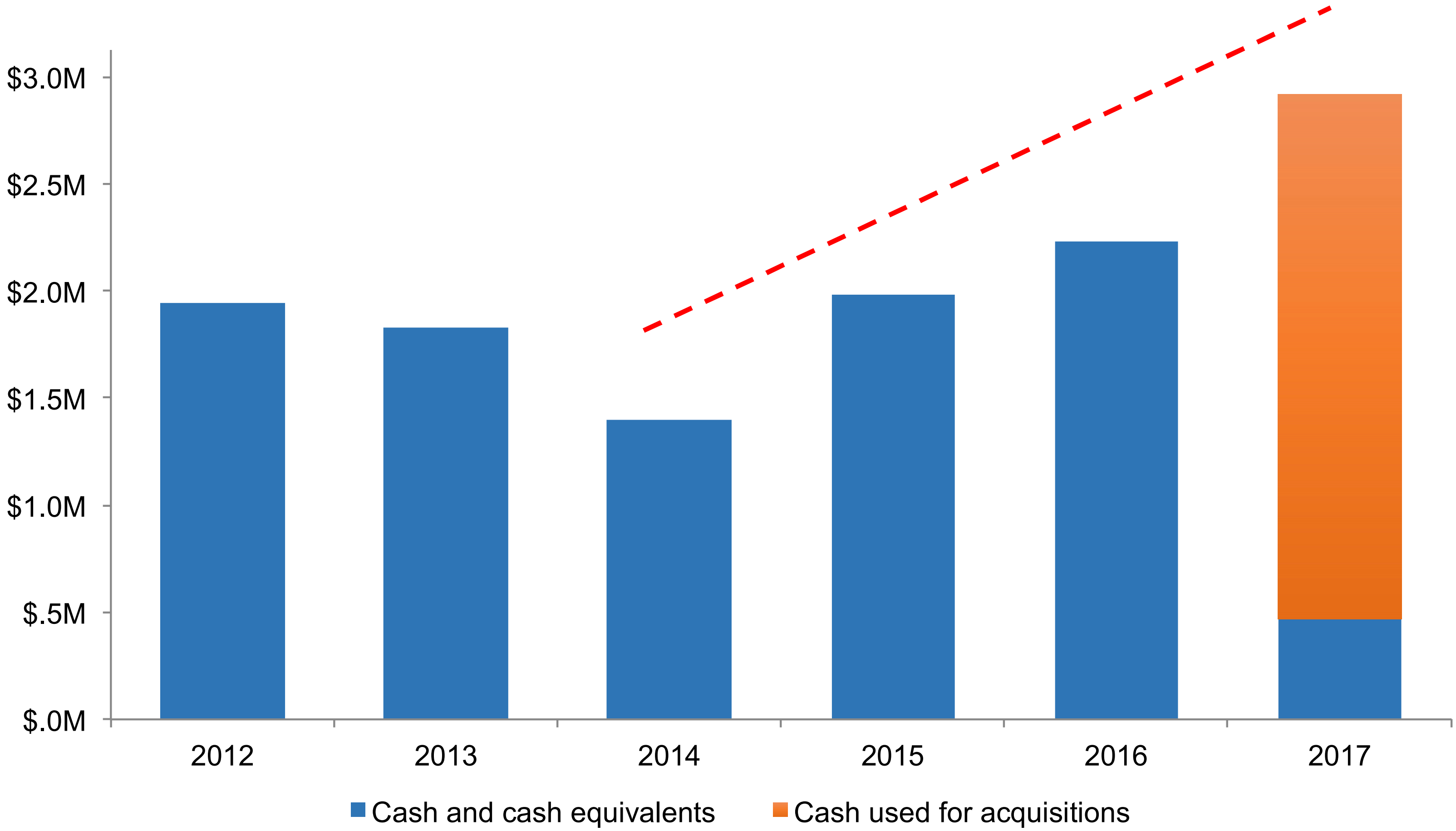
* See additional notes on page 41

Balance sheet

$'000	2015	2016	2017	
Cash and cash equivalents	1,983	2,228	468	After payments of $2.45M for acquisitions
Trade and other receivables	2,319	2,056	2,867	
Total Current Assets	**4,344**	**4,108**	**3,335**	
Plant and equipment	64	502	429	
Software development	-	2,373	4,662	Stated separately from intangibles since FY16
Intangible assets	2,327	641	3,454	Includes goodwill on acquisitions of $3.5M
Other assets	104	331	227	Restricted cash – rental guarantee
Total Non-Current Assets	**2,765**	**4,244**	**9,614**	
Total Assets	**7,109**	**8,631**	**13,175**	
Trade and other payables	554	820	1,290	
Borrowings			505	Overdraft at 30/6/17, since repaid
Deferred revenue	882	619	2,027	Includes pre-paid (unearned) income of $1.87M
Provisions & tax payable	508	620	837	
Total Current Liabilities	**1,944**	**2,059**	**4,658**	
Total Non-Current Liabilities	**493**	**1,257**	**2,703**	Includes $1.75M debt facility repayable over 5yrs
Total Liabilities	**2,437**	**3,316**	**7,361**	
Net Assets	**4,672**	**5,315**	**5,815**	
Net assets per share (cps)	**26.2**	**28.7**	**29.5**	

energyone

The company is generating free cash flow which has been used to fund acquisitions



energyone

Cash flows

$'000	2014	2015	2016	2017	
Receipts from customers	2,063	4,920	5,072	5,528	
Government grants	720	709	836	751	Research & Development
Payments to suppliers and employees	(2,476)	(4,260)	(4,723)	(5,480)	
Interest	62	51	46	27	
Cash provided by operating activities	**369**	**1,420**	**1,231**	**826**	
Purchasing plant & equipment	(4)	(10)	(75)	(11)	
Purchasing intangibles	(2)	(31)	(17)	(0.1)	
Development costs	(687)	(810)	(924)	(983)	
Payments for acquisitions of businesses	-	-	-	(3,868)	
Cash acquired on acquisitions	-	-	-	463	
Restrictive term deposits		(104)	(227)	(0)	Rental guarantee
Cash used for investing activities	**(693)**	**(955)**	**(1,243)**	**(4,397)**	
Proceeds from borrowings	-	-	-	1,750	Bank loan for acquisition
Receipts from share issues	-	-	257	137	Share rights approved at AGM
Payment of dividends	-	-	-	(182)	
Cash flows from financing activities	**0**	**16**	**257**	**1,705**	
Net increase / (decrease) in cash	(324)	481	245	(1,865)	
Cash at beginning of year	1,825	1,501	1,982	2,228	
Cash at end of year	**1,501**	**1,982**	**2,228**	**363**	

energyone

We’ve introduced a dividend reinvestment plan

The directors declared a dividend of 1 cent per share for FY17 and introduced a dividend reinvestment pan (DRP) with shares issued at 49.43cents.

The DRP was underwritten by Bell Potter and the $61k shortfall was issued to new retail investors.

This is a small and incremental measure that over time will help improve liquidity in EOL’s shares.

Company Outlook

energyone

We have won our first UK customer

Our first offshore customer - the UK division of a multinational energy company
While it’s a modest transaction (<$100k) it demonstrates EnergyFlow’s appeal
Project is being led & delivered by Dunstan Thomas with our support.

Off-shore prospects look promising

Over the past 18 months EOL has made a modest investment in market research exploring potential opportunities in the UK and Europe.

Our research shows that EnergyFlow is very applicable for other markets.

Progress is positive:

- Dunstan Thomas appointed UK partner.
- In advanced talks with a potential partner in Germany.
- Early talks with potential partners in 3 other countries.
- 2-3 sales prospects in the pipeline.

Using partners to enter new markets minimises costs and reduces risks

A partner network allows us to sell software in multiple geographies without the need for setting up extensive infrastructure in each country.

We also remain open to acquisition of established, synergistic businesses in off shore markets should the opportunity arise.

energyone

We will continue to invest in off-shore marketing

To capitalise on opportunities off-shore we will investment (~$500k) in the next 12-18 months. This investment includes:

- Technical resources to adapt the product(s) for those markets.
- Direct sales and marketing costs.
- Corporate costs for transacting in those markets, legal, contracts etc.

Any investment will be progressive and subject to successfully achieving milestones

Market opportunity in UK/EU is potentially 10x the size of the Australian market

energyone

Domestic market opportunities are prospective…

More activity in gas/oil trading markets:

- export LNG, gas pegged to Oil indices
- market rule changes and adjustments by regulators in Aus/NZ

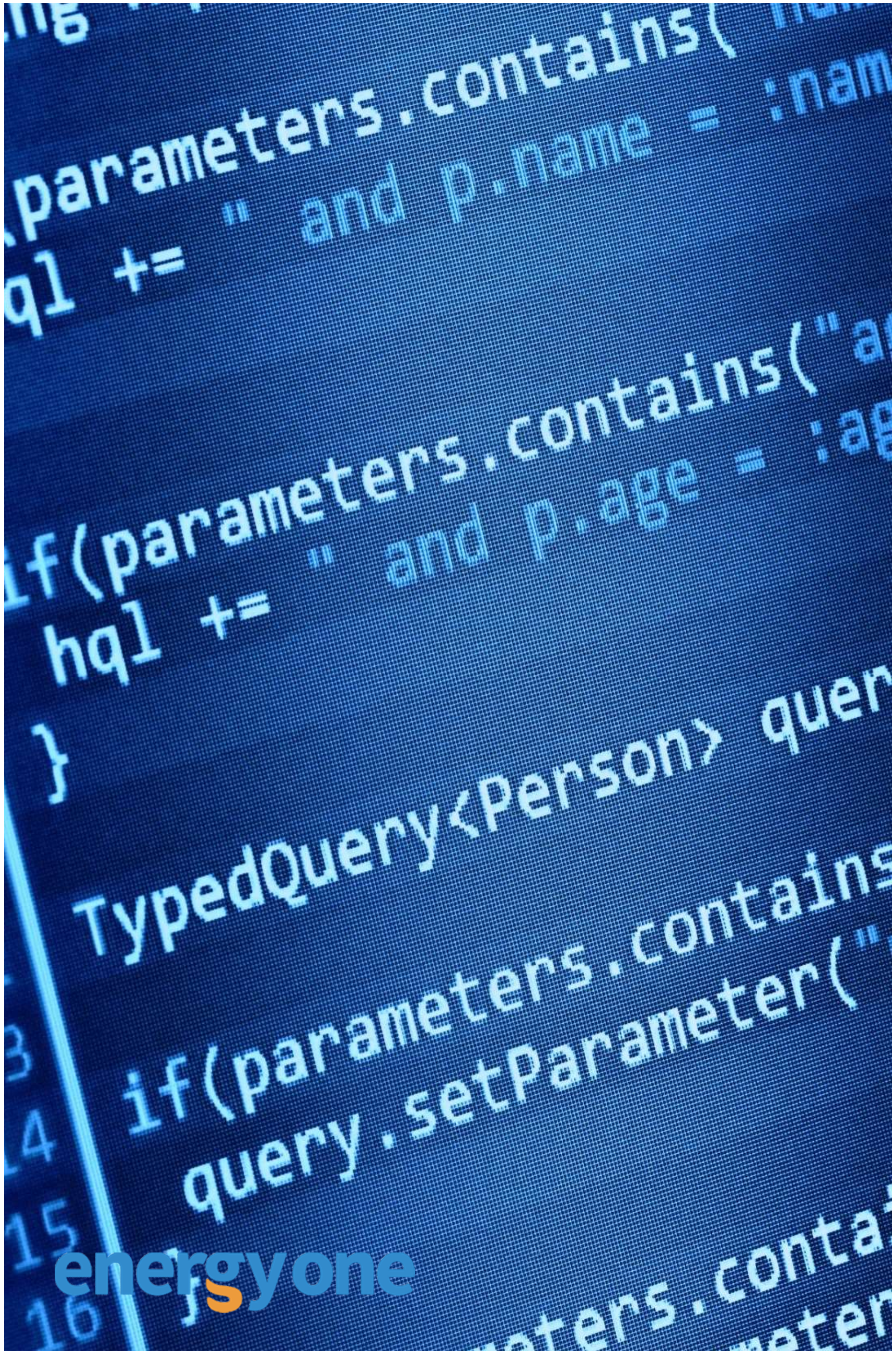
In FY17 EOL provided oil trading functionality for a customer and recently started an upgrade to facilitate gas trading

EOL's software now dispatches almost half the physical electricity in the NEM and manages more than a third of the financial derivatives

energyone

And our software is responsible for scheduling the transport of 40% of the domestic gas in Australia

This gives Energy One a dominant market position in both gas and electricity trading software and strategically positioned for market developments going forward



Investing for growth

1) Domestic sales:
   Continue to develop new products. New projects pending and in development.

2) Explore new markets:
   EnergyFlow offers great flexibility and has strong potential in overseas energy markets so we will continue investing in market development.

3) Growth by acquisition:
   Continue actively pursuing strategic acquisitions.

Future market developments look positive

Future market developments that EOL is well placed to service:

- Capacity trading in the gas market (2018)
- Potential move to 5-minute electricity settlements (2020)
- Batteries, solar, demand-side management and other disruptive technologies

energyone

Energy One well placed for growth in 2018

- ✓ Solid financial performance for the year past
- ✓ Strong market position & good products
- ✓ Opportunities for domestic sales in FY18
- ✓ Overseas opportunity to expand reach
- ✓ Further investment in product development
- ✓ Marketing domestically and internationally

energyone

energyone

Mr Shaun Ankers - CEO and Managing Director

Email: enquiries@energyone.com.au

Level 13, 77 Pacific Highway
North Sydney NSW 2060

Appendix

Additional information

energyone

References and notes

Slide 7 - FY17 was a part year for pypIT, SimEnergy and NemSight. FY18 figures are illustrative estimates only and not guidance. Graphic does not include all of EOL's revenue streams (only those products shown)

Slide 8 - Recurring revenues now are ~55% of operating revenue (FY17). Expected to rise towards 70% in FY18 depending on new customers project completions etc. Recurring revenues comprised of licence fees, support, hosting, SaaS

Slide 16 - 2018 values as per guidance issued in FY17 Annual Report. FY17 EBITDA is underlying excluding one-off acquisition costs. Share price 60c on 10/10/17

Slide 18 – Underlying FY17 result excludes one-off acquisition costs of $217k. $2.45M cash used for acquisitions. NTA includes software development used to generate income and excludes tax assets.

Slide 22 - FY17 Result is underlying NPBT excluding one-off acquisition and related costs of $217k

WACC calculation at 30 June 2017

	Shares on issue	19,732,842
	Price per share	$0.40
E	Market value of equity	$7,893,137
Coe	Cost of equity	11.6%
E/V	E/V	0.81
D	Market value of debt	$1,855,427
Cod	Cost of debt	4.26%
D/V	D/V	0.19
V	Value of debt and equity	$9,748,563
T	Corporate tax rate	28%
	*** WACC**	**10.2%**

energyone

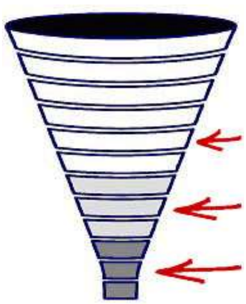
Sales pipeline update

- Trading system projects represent a large investment for customers requiring significant planning, development and resourcing (this increases customer retention).
- Sales cycle can be 1-5 years especially for 'large' projects (e.g. ~$1m, over 12-18 month project). Difficulty predicting when customers will come to market. Expectation is to win 1-2 new large (or medium ~$0.5m) projects per year.
- In general, smaller accounts are <$100k per year. Sales cycles are shortened and revenues are largely subscription or annuity based.
- Assisting this, the addition of NemSight (in particular) gives us a product that can be quickly utilized, giving balance to the longer sales-cycle traditional offerings. We are positioning EnergyFlow in the same way.
- Our goal at any one time for the pipeline (and current status) is a mix of projects:

  a) 4-5 in sales stage,

  b) 2-3 in prospective stage; and

  c) 1-2 in procurement.



energyone