



Crowd-sourced funding offer document

dated 15/03/2018

Offer of fully-paid ordinary shares in
DCP Company Limited (DC Power Co.)
at \$0.50 per share to raise a maximum
of \$4,750,000

This **crowd-sourced funding (CSF)** offer document relates to the Offer of fully-paid ordinary shares in DCP Company Limited, trading as DC Power Co. This Offer is made under the crowd-sourced funding regime in Part 6D.3A of the *Corporations Act 2001* (Corporations Act).

Issuer

DCP Company Limited ACN 619 866 072

Intermediary

OnMarket Bookbuilds Pty Ltd AFSL 421 535

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1. Risk warning

Crowd-sourced funding is risky. Issuers using this facility include new or rapidly growing ventures. Investment in these types of ventures is speculative and carries high risks.

You may lose your entire investment, and you should be in a position to bear this risk without undue hardship.

Even if the company is successful, the value of your investment and any return on the investment could be reduced if the company issues more shares.

Your investment is unlikely to be liquid. This means you are unlikely to be able to sell your shares quickly or at all if you need the money or decide that this investment is not right for you.

Even though you have remedies for misleading statements in the offer document or misconduct by the company, you may have difficulty recovering your money.

There are rules for handling your money. However, if your money is handled inappropriately or the person operating the platform on which this offer is published becomes insolvent, you may have difficulty recovering your money.

Ask questions, read all information given carefully, and seek independent financial advice before committing yourself to any investment.

2. Information about the company

Thanks for considering buying a share in the first crowd-sourced funded, solar-focused energy company in Australia.

As you know, the current energy market has been the same for over a hundred years. This model is based on energy companies profiting from us as users buying more energy. But we know that if you have rooftop solar panels (or are thinking about getting them) that you don't want to buy more energy; you want to use less and SAVE MONEY. You also want a fair price for any excess energy you create.

It has become pretty clear to us that there needs to be a new business model that reflects what people actually need and want from an energy company in 2018 and into the future.

Today, more than 1.7 million of us have rooftop solar panels, which is almost twenty percent of households across the nation, and it's predicted that almost half of all Australian households will have solar by 2050¹. That's a massive market! It's a market that has never been serviced well before. In this document you will find a wide array of reasons as to why you should invest in DC Power Co. so that together, we can create a company to service this new market of home energy producers and consumers correctly.

You'll find here our business strategy and discover what it could mean to a customer (lower power bills, using less energy and advice on new technologies like batteries), and for you in the future (sharing in any profits that we make as we grow together). DC Power Co. truly is the only scalable business model designed to serve this rapidly growing market. It's an exciting time to be part of changing the old energy market. We really can use our power to change the world.

Thanks again for taking the time to read this document. Please also consider the risks involved in building this new business as detailed on page 23. We hope you join DC Power Co. as an investor, and then as a customer, and help us build the energy company of the future. Because, as we say, with DC Power Co. you can BE THE POWER!

Yours sincerely,

A handwritten signature in black ink, appearing to read "Nic Gilley", written over a light grey background.

Nic Frances Gilley MBE
CEO, DC Power Co.

¹ CSIRO, Electricity Network Transformation Roadmap: Final Report, April 2017

2.1 Company details

This offer of shares is made by DCP Company Limited ACN 619 866 072 (the Company, DCP, or DC Power Co.). The Company was incorporated on 20 June 2017 and converted to a public company on 26 February 2018.

Company name	DCP Company Limited (trading as DC Power Co.)
ACN	619 866 072
Offer type	Crowd-sourced funding
Offer date	15 March 2018
Offer details	Offer of fully-paid ordinary shares in DCP Company Limited (DC Power Co.) at \$0.50 per share to raise a maximum of \$4,750,000
Registered office	DCP Company Limited 'Aquavista Tower' Suite 19 Level 14 401 Docklands Drive Docklands VIC 3008
Principal place of business	DC Power Co. 5 Cubitt Street, Cremorne, VIC 3121
Related companies	Spirited Sustainable Enterprise Consulting Pty Ltd and Cool nrg International Pty Ltd are related parties of DC Power Co. in accordance with section 738G(3) of the Corporations Act 2001.
Founders	Nic Frances Gilley, Emma Jenkin, Nick Brass, and Monique Conheady
Intermediary	On-Market Bookbuilds Pty Ltd ABN 31 140 632 024, AFSL 421535 trading as OnMarket, ('OnMarket' or 'the intermediary').

2.2 Description of the business

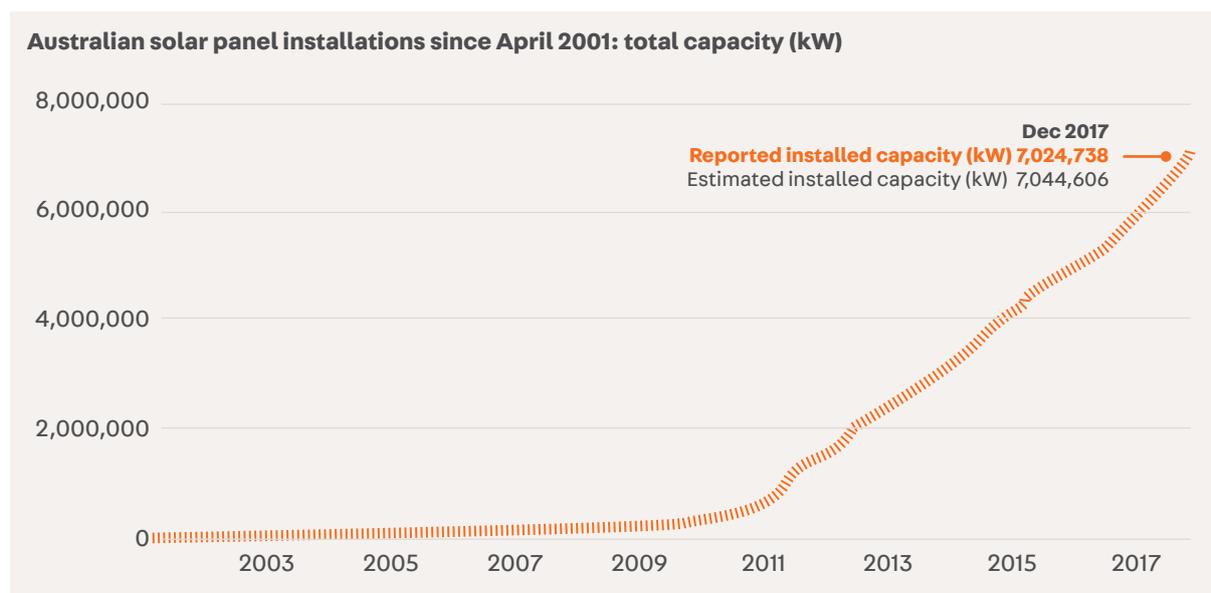
DC Power Co. aims at becoming the world's first crowd-sourced funded energy retailer for solar households.

Unlike current energy retailers whose business models focus on selling households more energy, DC Power Co. is built by solar people and for solar people. DC Power Co. intends to offer a range of services to households that aim to help them optimise their solar systems, use less energy, reduce their bills and make money.

This is an investment opportunity to be a part of a solar-focused energy services company that intends to revolutionise the energy industry in Australia.

2.2.1 The disruption story

Solar has disrupted the power industry in Australia. Today, as we are writing this, it is estimated that solar power is producing up to 18% of electricity supply across the country². A vast majority of this energy came from the more than 1.7 million households with solar power in Australia³, rather than large commercial installations or utility-scale solar farms. Everyday Australians are driving this disruption.



All of Australia's rooftop solar panels systems generated 7,206 gigawatt-hours of electricity between July 2016 and June 2017⁴. That's power no longer being sold by the large retail generators. This is energy they are now unable to sell and make a profit from. To keep their businesses strong, traditional retailers are focused on selling more energy, not less. We believe that's why solar customers are not getting the best service from their current retailers.

Solar owners started the disruption of the old energy market by installing their own generation on their roofs - now let's create a new retailer to ensure they get the right deal!

² Australian PV Institute (APVI) Solar Map, funded by the Australian Renewable Energy Agency, accessed from pv-map.apvi.org.au on 21 February 2018, timestamped at 1:00pm. Western Australia data.

³ Australian PV Institute (APVI) Solar Map, funded by the Australian Renewable Energy Agency, accessed from <http://pv-map.apvi.org.au> on 15 February 2018.

⁴ Green Energy Markets, https://d68ej2dhhub09.cloudfront.net/2199-Renewable_Energy_Index_-_2016-17_Benchmark_report.pdf, as accessed on 22/02/2018.

2.2.2 Lack of service for solar customers

It's no surprise that services for solar customers are not great, as the current retailers are generally driven by volume of electricity being consumed. So, solar customers suffer from a lack of information and support that would help them use less energy and save more money:

- › 31% of solar owners don't know the capacity of their system or their current feed-in tariff⁵
- › 57% of solar owners do not check whether their system is working and only 13% of solar owners have had their systems professionally serviced⁶
- › Interest in battery technology is high among solar owners - 72% of solar power system owners are aware of the technology and are considering it⁷, but lack the information and tools to make informed decisions means they are reluctant to act

Despite this, we have found that customers are willing to modify their behaviour to maximise savings of their system. In fact, 42% of them have already started time-shifting their usage⁸. DC Power Co. understands solar customers - that's why we are building a business to focus on their needs and better serve them.

A summary of DC Power Co.'s market research is contained in the Appendix.

⁵ KPMG, Residential Solar PV customer Experiences and Developments, 2016, <https://assets.kpmg.com/content/dam/kpmg/au/pdf/2017/residential-solar-photovoltaic-customer-experiences-and-developments.pdf>

⁶ UMR, Usage of solar electricity in the national energy market, A quantitative study, July 2016, <http://energyconsumersaustralia.com.au/wp-content/uploads/UMR-Usage-of-solar-electricity-in-the-national-energy-market.pdf>

⁷ DCP focus group research, 2017. Summary in Appendix.

⁸ KPMG, Residential Solar PV customer Experiences and Developments, 2016, <https://assets.kpmg.com/content/dam/kpmg/au/pdf/2017/residential-solar-photovoltaic-customer-experiences-and-developments.pdf>

2.2.3 Our value proposition to customers

A large proportion of Australian homes are now generating their own energy and this will continue to grow over the next few decades. They are **producers** and **consumers** of energy - **prosumers**.

These energy 'prosumers' need a new type of energy company that offers new types of pricing, advice, service and sales that support them to reduce their energy costs. It is our view that existing retailers aren't meeting these needs, and likely won't, even over the long term.

The answer is a retailer with a business model and value proposition that's built from the ground up to support renewable prosumers. We are divorcing profits from usage. **This is DC Power Co.**

What DC Power Co. intends to offer customers:

- › Wholesale electricity prices with a focus on a great feed-in tariff
- › Insights and advice for current solar power customers to:
 - Check their system is working to its full capacity
 - Maximise their feed-in tariff earnings
 - Optimise their energy usage
- › Great deals for new energy products:
 - For customers without solar: Advice and support in joining the solar and battery revolution
 - For customers with solar: Smart and simple tools to integrate and optimise solar systems with batteries, electric vehicles, and smart home technologies to help customers save more money

Savings Guarantee

DC Power Co. intends to offer a Savings Guarantee: eligible customers of DC Power Co. will save money on energy bills (compared to what they paid with their previous energy provider) or we will refund the difference plus 10%.

We want to make this commitment because we are confident that through a combination of: a competitive retail market offer; a fair feed-in tariff; real energy efficiency advice; and solar optimisation, a solar customer will be better off with us.

The DC Power Co. Savings Guarantee demonstrates our commitment to deliver lower energy bills for Australians with solar and should give confidence to investors and customers that we will be the predominant energy retailer for solar households.

To be eligible for the Savings Guarantee, customers must be with DC Power Co. for at least 12 months and must have been with their previous energy provider for at least 12 months.

Full terms and conditions of this Savings Guarantee will be finalised once we have built a full electricity retail offer and will be subject to further regulatory and commercial factors.

2.2.4 Strategic pillars

How do we best set up DC Power Co. so that it's large enough to meet the wants and needs of Australians and be profitable into the future?

Our answer to this question is based on three strategic pillars:

1. Kilowatt indifferent

- › We intend to provide wholesale electricity pricing with no margin. We pass on the best pricing that we can get in the market, to our customers
- › We will focus on reducing our customers usage and bills and getting the best value for the solar they generate

2. Customer ownership

- › We want to be owned by solar people. You will own ordinary shares, have the ability to vote, and the crowd-sourced funding investor group will have representation on the board. This will ensure that we stay focused on our mission
- › We are choosing to have our future customers join us as owners in the disruption of this industry rather than put up with the business-as-usual scenario
- › Crowd-sourced funding was the obvious way to make this happen and from late last year, new legislation passed parliament to making this possible, unlocking this new people-powered energy retailer
- › By also becoming a customer of DC Power Co. you can benefit from the great service that your investment has helped to create

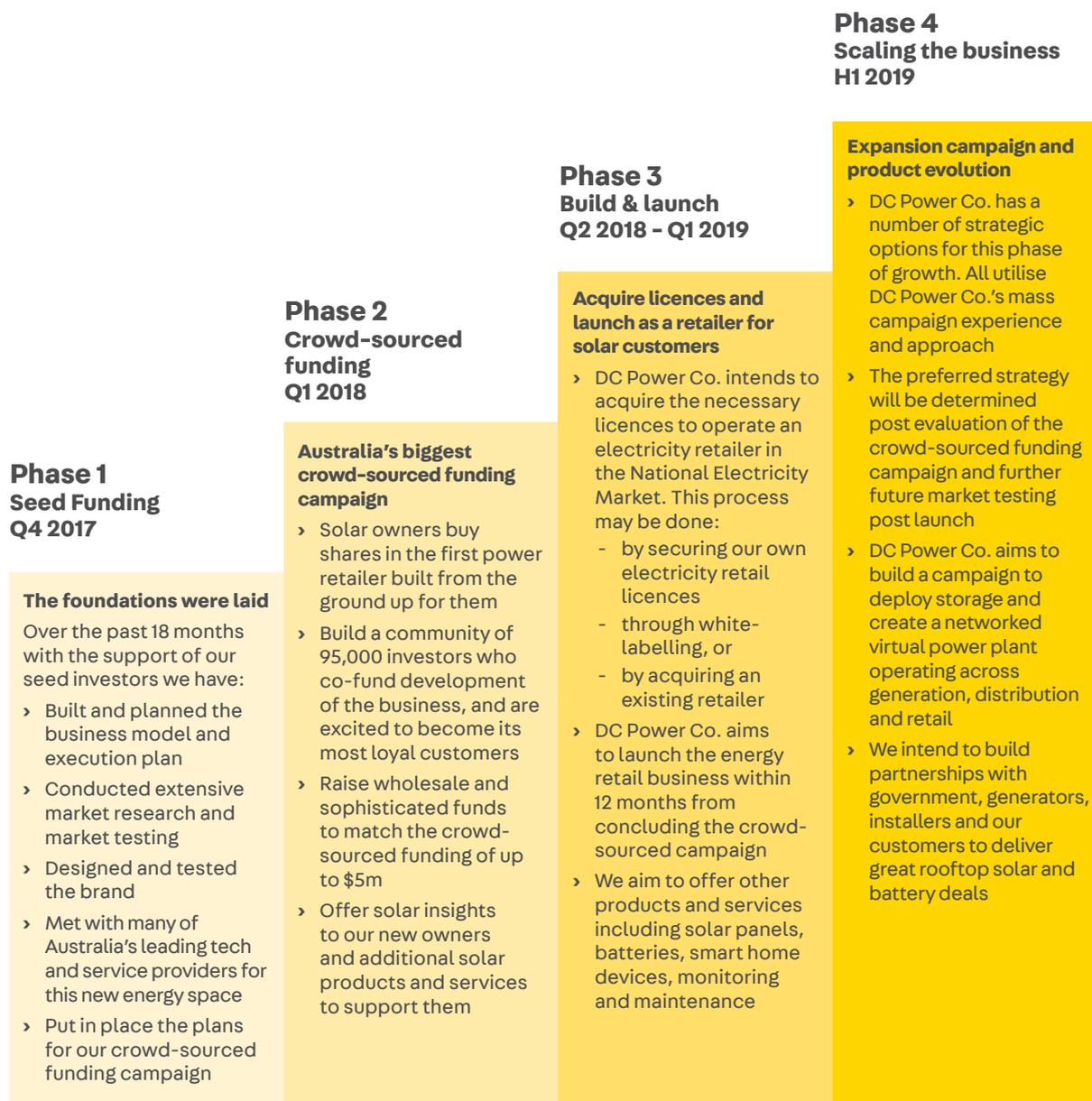
3. Scale

- › By rapidly achieving scale by welcoming our investors as customers, we can quickly command better deals and accelerate the disruption to a cleaner, cheaper and more efficient power system; for you and the country

The planned success of the business is then intended to be shared with our investors through dividends and/or the increased value of their shareholding.

2.2.5 The phases in building the business

For DC Power Co., the crowd-sourced funding is just the start of our journey.



Electricity retail licence

We have three options to acquire or gain access to electricity retail licences. The most efficient way to achieve this will be considered once the crowd-sourced funding offer closes. Options include:

- 1) White label service - there are several retailers offering white label services in the market that would allow a fast path to market. This would most likely be procured as a per customers basis (e.g. \$X per customer per month)
- 2) Merge with an existing retailer - there are smaller retailers with less than 15,000 customers where DC Power Co. could merge and have control of the business
- 3) Apply for our own licences - this is a defined regulatory process that many small companies have gone through and takes between 6 to 9 months. We would recruit the necessary team to manage this process

In all three cases, DC Power Co. will strive to provide a great solar rooftop electricity offer.

2.3 Our business model

2.3.1 How we make money

Monthly service fee

Unlike traditional energy companies, DC Power Co.'s profits won't be dependent on selling more energy to households.

Rather, we intend to charge customers a reasonable monthly fee to ensure they are connected to the grid, optimising their solar system and usage, as well as unlocking great energy prices, access to regular maintenance tips to best utilise their energy, and the ability to sell any excess solar or from their batteries back to the energy grid. It is the energy services company of the future.

Like other electricity retailers, DC Power Co. will look to minimise its exposure to electricity price volatility by entering into hedging contracts. We do not plan to make money from electricity pricing and intend to pass the hedged wholesale price through to customers with no margin added.

At its core, our focus on solar and our kWh indifferent model is the biggest differentiator and competitive advantage of DC Power Co.

Additional services

DC Power Co. intends to offer additional energy services focused on the needs of solar households, such as:

- › Monitoring and maintenance packages for current solar panels to achieve and maintain optimal performance
- › Solar panel installations, for those customers who don't already have solar panels
- › Solar panel upgrades, for customers with older panels or systems that are not maximising energy generation
- › Battery installations to best utilise the energy the solar panels generate
- › Smart and innovative home solutions that will enable members to remotely automate the operation of air conditioners, pool pumps and other high usage devices to boost savings

At DC Power Co. we also intend to keep on innovating and helping our customers evaluate new technology such as electric vehicles supporting their uptake in the Australian market.

2.3.2 How we raise money

2.3.2a Funds to date

- › The founders of DC Power Co. have been working on the project for over 18 months. They have put their time, knowledge, skills and some early funding to get it off the ground
- › In July 2017, DC Power Co. raised approximately \$500,000 capital from 10 investors (seed investors). We used this money to undertake focus groups in 4 States (QLD, NSW, SA and VIC) to really understand what solar customers want in a new rooftop solar focused energy services company. We also designed a brand and worked with some of the country's leading thinkers and business people in the renewable energy space to design the power company of the future
- › Late last year we were awarded a grant of \$750,000 from ARENA⁹ to fund a crowd-sourced funding campaign to build this rooftop solar focused energy services company. To receive this grant, we had to match their grant with a further \$750,000 investment (including Series A investors). Both the grant and the

⁹ The Australian Renewable Energy Agency (ARENA) provides funding to projects that advance renewable energy technologies or innovate systems that increase renewable energy in our energy mix. The grant was provided to fund this crowd-sourced funding campaign. The views expressed herein are not necessarily the views of the Australian Government, and the Australian Government does not accept responsibility for any information or advice contained herein.

matched funding were signed off in January this year. DC Power Co. received funding from ARENA as part of ARENA's Advancing Renewables Program.

As part of the terms of the grant there are a number of conditions including:

- › The funds raised under the crowd-sourced funding will be held in escrow until DC Power Co. has obtained, or secured the right via a third party, to an electricity retail licence. See the section 2.5.3 for further detail

DC Power Co. is actively seeking to obtain, or secure the right via a third party, an electricity retail licence. To enable a proper evaluation of the options to obtain the required electricity retail licenses, ARENA will make available an additional recoupable grant of \$250,000.

2.3.2b The crowd-sourced funding campaign

Our aim is to raise \$4.75 million from up to 95,000 investors.

- › As an investor you can nominate to invest \$50, which gives you 100 shares in DC Power Co.
- › Our preferred outcome is that - like the 95,000 seats at the MCG for a footy final - we will sell out on the day that the Offer is made available (or during the month in which this Offer is open). It is important to note that if we don't raise \$1.75 million (35,000 investors at \$50 each), the crowd-sourced funding campaign will not go ahead and your investment will be refunded. This is why we ask for bank details when you pay for the shares, to ensure we can refund you if the above outcome occurs

2.3.2c Matched funding from wholesale and sophisticated investors

At the same time as we are running the crowd-sourced funding campaign we will also be inviting wholesale and sophisticated investors (investors that are used to investing large amounts of money in companies) to join you and invest up to a total of \$5 million (after the close of the crowd-sourced funding campaign) to ensure we have sufficient funds to not just build the business but plan for its expansion into this exciting new market.

This capital raising will be managed by Venture Advisory – a capital raising advisory group and shareholder in this business. We have limited this investment to up to \$5 million from wholesale and sophisticated investors. These wholesale and sophisticated investors are investing in ordinary shares with the same rights and on the same business valuation as being offered to the crowd-sourced funding investors.

The capital raise is not underwritten and there is no guarantee that these funds will be raised.

Depending on the outcome of the crowd-sourced funding and the wholesale and sophisticated investors round, DC Power Co. may raise further funds in the next 12-18 months to support our business plan.

2.3.3 Investor benefits

As an investor in DC Power Co. you benefit from this business model in a number of ways:

- › Upon becoming an investor, you get access to our free insights package (see section 2.2.3) regardless of your current energy provider. With this we'll be able to provide insights into the health of your solar system
- › Updates on our progress in becoming Australia's first retailer for solar users
- › Having a voice on our board: You will own ordinary shares, have the ability to vote, and the crowd-sourced funding investor group will have representation on the board. Any crowd-sourced funding investor can put their hand up to be this person. This will ensure that we stay focused on our mission
- › Priority access offering investors the opportunity to be the first DC Power Co. customers and access to any potential launch offerings
- › Future returns on investment through potential dividends paid to shareholders. This is not guaranteed as it depends on the future profitability of the company and the board deciding to pay a dividend
- › Possible capital growth in the investment over time

*Our founders, from left: Nick Brass, Emma Jenkin,
Nic Frances Gilley, Monique Conheady*

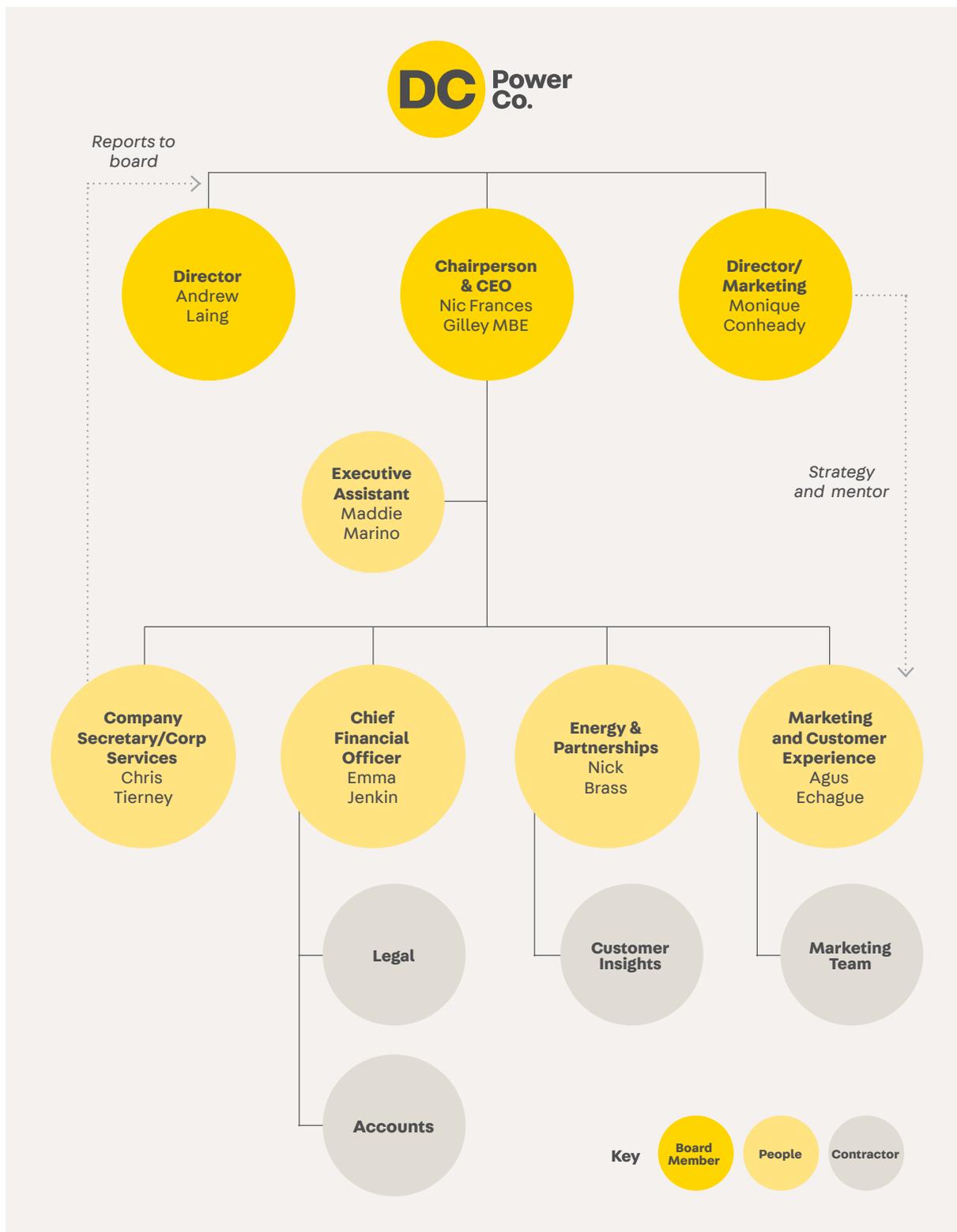


2.4 Directors and management

Everyone at DC Power Co. is passionate about solar power and empowering home generators to get a better deal. Plus, they all have huge amounts of experience in the field.

2.4.1 Organisation chart

Our organisational structure prior to crowd-sourced funding looks as follows (after the funding round we will also add a representative on the board representing you, our retail investors).





Nic Frances Gilley MBE
CEO & Chairperson

Nic is responsible for the strategy, delivery and risk management for DC Power Co.

Social entrepreneur, marketing campaign specialist and founder of Easy Being Green and Cool nrg. Nic is tireless in his pursuit of creating companies that are good for the planet and good for Australians. Nic was awarded an MBE in the UK and a Centenary Medal in Australia for his charitable work.



Monique Conheady
Director & Marketing

Monique is a board member with a focus on customer engagement and experience.

Engineer come entrepreneur and marketer, and founder of car sharing disruptor Flexicar. Monique also led the Hertz marketing team before becoming a board member of a range of organisations and market regulators aimed at improving conditions for Australians, both environmentally and socially.



Emma Jenkin
Chief Financial Officer

Emma is responsible for overseeing the organisation's finances including capital raisings.

Commodity trader, investment banker, fixed income specialist and key member of energy saving company Cool nrg. While working for UBS, Emma raised more than \$2bn of IPO capital and managed a \$1bn commodity book that included complex derivatives.



Nick Brass
Energy & Partnership

Nick is responsible for the strategy and delivery of the additional products and services excluding electricity retail.

Solar expert, co-founder of Energy Matters, and driving force of Cool nrg. Nick is now facilitating some of the country's largest commercial and industrial solar plants.



Andrew Laing
Director

Andrew is a board member with a focus on governance and finance.

Andrew worked for over forty years at BP until he became a core part of the formation of Cool nrg from 2003 to 2007. Andrew is now a director and advisor, drawing from his experience in financial control, major joint venture projects and cultural change.



Chris Tierney
Corporate Services & Company Secretary

Chris is the Company Secretary and is responsible for corporate services including culture and development.

A founding member of Cool nrg and central to the success of Easy Being Green, Highlights of his time with BP included Board membership and a central managerial role in the set-up and early operation of the BP/Caltex Lubricants Manufacturing joint venture in Australasia.



Chris Blyth
Capital Advisor & Shareholder

Chris is an external financial advisor to DC Power Co. through his company, Venture Advisory.

With more than twenty years' experience in the Technology, Media, Telecommunications and Internet sectors, Chris has over \$20 billion of transactional experience covering Mergers and Acquisitions and Capital Markets. He's come from some of the biggest financial companies in the world- such as UBS, Future Fund, and Fletcher Challenge.

2.5 Capital structure

2.5.1 Issued capital

DC Power Co. has 40,049,894 ordinary shares issued today and there are no other classes of shares or options on issue. The following table sets out the issued capital of DC Power Co. following the Offer.

Issued capital of DC Power Co. following the Offer

Shares	Minimum Subscription	Maximum Subscription
Existing shares	40,049,894	40,049,894
	91.96%	80.83%
Offer shares	3,500,000	9,500,000
	8.04%	19.17%
Total shares on issue (undiluted basis)*	43,549,894	49,549,894
Matched funding (assuming maximum \$5m)		
Shares from matched funding^	10,000,000	10,000,000
Total shares on issue (inc. matched funding)*	53,549,894	59,549,894
Offer shares (crowd-sourced funding)	6.54%	15.95%

If the full \$4.75 million is raised from crowd-sourced funding this would give DC Power Co. a valuation of \$24.8 million. DC Power Co. is seeking to raise an additional \$5 million of funds from wholesale and sophisticated investors post crowd-sourced funding raising, which would result in a valuation of \$29.8 million if the full amount was raised.

^The potential number of shares that may be raised from wholesale and sophisticated investors after the close of the crowd-sourced funding offer, as outlined in Section 2.3.2c, is 1,000,000 to 10,000,000 and this would result in dilution of all ordinary shareholders including crowd-sourced funding investors.

*DC Power Co. has allocated 5% of ordinary shares to an Employee Share plan. These will be allocated among staff. The mechanism for delivery of the employee share scheme will be deliberated and decided by the board at a future date.

2.5.2 Significant shareholders

As set out below, the 32,224,053 shares are held by the six founding investors of DC Power Co. (individual Founders, and Cool nrg International Pty Ltd and Venture Group Nominees Pty Ltd). There are no options currently issued.

Issued capital of DC Power Co. before the Offer

Shareholder	Share Type	Shares	Options
Founding investors	Ordinary	32,224,053	Nil
Other	Ordinary	7,825,841	Nil
Total	N/A	40,049,894	Nil

There is a Founding Shareholders Agreement between the shareholders which hold shares prior to the opening of the crowd-sourced funding Offer, including the founding shareholders. This Founding Shareholders Agreement places restrictions on the disposal of shares by the existing shareholders, and imposes restraints on the founding shareholders in regard to having interests in competitive business(es) during and after their respective periods of involvement with DC Power Co. The Founding Shareholders Agreement does not grant any rights to the parties to that Agreement that are more favourable than those of crowd-sourced funding Investors. No future shareholders, including crowd-sourced funding or wholesale investors, will be a party to this Agreement.

2.5.3 Debt funding and other sources of funding

DC Power Co. has no loans or debt funding at the date of this offer document.

Government grants

DC Power Co. secured grant funding of \$750,000 from the Australian Government's Australian Renewable Energy Agency (ARENA) on the 25 January 2018. ARENA provides funding to projects that advance renewable energy technologies or innovate systems that increase renewable energy in our energy mix¹⁰.

The grant was provided to partially fund this crowd-sourced funding campaign.

This Project received funding from ARENA as part of ARENA's Advancing Renewables Program. The key terms of this grant are:

- › ARENA will make payments to DC Power Co. as milestones are achieved including launching the crowd-sourced funding campaign (this has been achieved and payment received) and closing the crowd-sourced funding campaign
- › The funds raised under the crowd-sourced funding will be held in escrow in a dedicated bank account by DC Power Co. and not used for any other purpose until DC Power Co. has met several conditions including obtaining, or securing the right via a third party, to an electricity retail licence
 - When an electricity retail licence has been obtained, the funds will be released to DC Power Co. for use as set out in this offer document
 - If an electricity retail licence is not obtained within 12 months then DC Power Co. will return the funds within 1 month to the crowd-sourced funding holders

¹⁰ The views expressed herein are not necessarily the views of the Australian Government, and the Australian Government does not accept responsibility for any information or advice contained herein.

Once DC Power Co. meets its minimum target of 35,000 investors, DC Power Co. will seek to obtain or secure the right via a third party, to an electricity retail licence.

To enable a proper evaluation of the options to obtain the required electricity retail licenses, ARENA will make available an additional recoupable grant of \$250,000. The recoupment of this grant will be contingent on DC Power Co. obtaining or securing the rights via the third party to an electricity retail licence which would trigger the release of your funds from escrow. The high-level terms of this recoupable grant have been approved by ARENA, but have not yet been finalised and documented.

2.5.4 Financial information

Below are the financial statements for the 9 months to 28 February 2018. DC Power Co.'s accountants, Tonic Partners prepared the financial statements in accordance with the Australian Accounting standards.

Balance Sheet

DCP COMPANY LIMITED

As at 28 February 2018

Assets	
Bank	
Cash and Cash Equivalents	\$100,520
Total Bank	\$100,520
Current Assets	
Accrued Revenue	\$300,000
Total Current Assets	\$300,000
Total Assets	\$400,520
Liabilities	
Current Liabilities	
Accounts Payable	\$91,153
GST	-\$70,383
Rounding	-\$10
Total Current Liabilities	\$20,761
Total Liabilities	\$20,761
Net Assets	\$379,759
Equity	
Current Year Earnings	-\$808,347
Retained Earnings	-\$92,209
Equity Issued	\$1,280,315
Total Equity	\$379,759

2.5.4 Financial information

Profit and Loss Statement

DCP COMPANY LIMITED

20 June 2017 to 28 February 2018

Profit and Loss	
Income	
Other revenue	\$300,000
Total Income	\$300,000
Gross Profit	
	\$300,000
Less Operating Expenses	
Brand development	\$54,785
Campaign Media assets	\$225,000
Contractors - Executive	\$116,003
Contractors	\$87,312
Customer insights & experience	\$157,231
General Marketing	\$15,095
IT support	\$945
Market research	\$61,765
Marketing campaign	\$360,000
Other	\$75,133
Travel	\$20,512
Workforce planning	\$26,776
Total Operating Expenses	\$1,200,556
Net Profit or Loss	-\$900,556

2.5.4 Financial information

Cashflow statement

(includes movements in equity)

DCP COMPANY LIMITED

For the 10 months ended 28 February 2018. Exc GST

Cash Summary	
Income	
Other Revenue	\$300,000
Total Income	\$300,000
Less Operating Expenses	
Total Operating Expenses	\$1,415,299
Operating Surplus (Deficit)	-\$1,115,299
Plus Movements in Equity	
Total Movements in Equity	\$1,280,315
Net GST Movements	-\$64,496
Net Cash Movement	\$100,520
Summary	
Opening Balance	\$0.00
Plus Net Cash Movement	\$100,520
Closing Balance	\$100,520

Executive and Directors remuneration

The Senior Executives remuneration is outlined below:

2018 Remuneration	
Nic Frances Gilley CEO & Chairperson	\$160,000
Emma Jenkin Chief Financial Officer	\$160,000
Nick Brass Energy & Partnerships	\$115,000
Monique Conheady Director & Marketing	\$40,000

There are no additional fees for the Directors of DC Power Co. This may change as DC Power Co. brings on new directors in the future.

2.6 Risks facing the business

Risk is commonly described as the effect of uncertainty on a company’s objectives. Risk or uncertainty may result in a positive or negative outcome.

Below is a description of the main risks facing DC Power Co. Only the risks that may significantly impact the success or failure of the business have been included.

An investment in DC Power Co. should be seen as high-risk and speculative. A description of the main risks that may impact the business is below. Investors should read this section carefully before deciding to apply for shares under the Offer. There are also other, more general, risks associated with the DC Power Co. (for example, risks relating to general economic conditions or the inability to sell shares).

If you are in any doubt, if you are unsure, if you do not understand anything in this document and can’t get an answer, if you cannot afford to lose the investment amount, please, do not invest in this Offer.

Main risks: descriptions

Type of risk	Description of risk
Building the Business	<p>Delivering new business</p> <p>DC Power Co. has a limited operating history and will build the business with the funds raised through the crowd-sourced funding.</p> <p>DC Power Co. is not yet profitable and is yet to onboard customers or make any customer sales.</p> <p>The commercial success of the business will depend on many factors, including our ability to create an electricity retailer, source a competitive electricity hedge from the wholesale market and our ability to get customers to sign up to our electricity retail offer.</p> <p>If we are not successful in building the electricity retailer or we are unable to demonstrate the value of our electricity offer, we may not be able to successfully commercialise. There is also a risk that we will not be able to successfully expand our sales and marketing programs. This will have a material adverse effect on DC Power Co.’s potential revenue and prospects.</p>
Regulatory Risk	<p>Highly regulated environment</p> <p>DC Power Co. is intending to operate in a highly regulated environment and is therefore exposed to regulatory risk. DC Power Co. will apply for regulatory approval to operate as an electricity retailer in Australia.</p> <p>Regulatory risk occurs primarily for DC Power Co. in that it may not obtain relevant approvals from regulators or laws may change in the future that impact the DC Power Co. business model. Without access to licences DC Power Co. will not be able to offer the product suite it aims to and the business would have to change. There are no guarantees that the regulators will grant the required licences in a given timeframe (or at all).</p>

<p>Funding Risk</p>	<p>Adequate funding for business plan</p> <p>DC Power Co. is in the process of raising funds (money) to achieve its strategic business objectives. DC Power Co. may not raise all of the required funding and therefore not achieve its business objectives. DC Power Co. is also seeking to raise funds from wholesale and sophisticated investors.</p> <p>Without adequate funding for operating expenses and to fund the electricity retailing business, DC Power Co. may not achieve its strategic business objectives or continue to operate.</p>
<p>Savings Guarantee Risk</p>	<p>Impact on profitability</p> <p>If DC Power Co.'s electricity offer for solar customers is less competitive than offers from other providers, then DC Power Co. may have to pay out the Savings Guarantee to a substantial number of eligible customers. Any payout of the Savings Guarantee customer promise will reduce the profits made by DC Power Co and may adversely impact its business model or solvency.</p> <p>External price increases</p> <p>Network charges and wholesale prices could rise substantially, and if so DC Power Co. will pass these costs through to customers at cost. That could increase DC Power Co.'s exposure to having to pay 'refunds' to substantial numbers of customers via the Savings Guarantee.</p>
<p>People Risk</p>	<p>Founders</p> <p>There are currently no permanent employment contracts with the company, including with the Founders. However, DC Power Co. has contracted a number of people to work on the crowd-sourced funding campaign. We will hire people to build the business once the crowd-sourced funding campaign is successful.</p> <p>In terms of People Risk, DC Power Co. also has a number of key people that are important to the success of the business. If these key people are to leave, they would need to be replaced in order to achieve the business's objectives.</p> <p>Conduct risk</p> <p>Whenever people are introduced into a business, there is the potential that people will not follow all policies and procedures.</p>
<p>Competition Risk</p>	<p>Highly competitive market</p> <p>DC Power Co. is intending to launch in a highly competitive market. Competition risk occurs whenever there are other players trying to win or retain market share. Typically, there is a high level of inertia in terms of switching in electricity retailers, and a solar focused energy retailer may not prove popular in the Australian market.</p> <p>If DC Power Co. is unable to acquire customers it will not achieve its strategic business objectives.</p>

Main risks: mitigations

Type of risk	Mitigation of the risk
Building the Business	<p>Delivering new business DC Power Co. is aiming to disrupt the status quo of the electricity industry and the team has the experience to deliver as outlined in Section 2.4.</p> <p>Once we have the minimum 35,000 crowd-sourced funding investors we intend to use the funds to build a new retailer that delivers integrated solar service solutions. We aim to convert our investors to customers creating a scalable business.</p> <p>DC Power Co. will seek to obtain access to retail licences via the three options outlined in Section 2.2.5. In all three options, the ability to provide electricity hedging will be part of the key requirements for the option selected.</p> <p>Future growth beyond the crowd-sourced funding As part of our future plans, we may continue to offer shares to retail investors so they can become owners in DC Power Co. This will grow our investor and potential customer base. There are several ways that we could do this including further crowd-sourced funding offers and potentially an IPO.</p>
Regulatory Risk	<p>Ability to get licences We have three options to acquire or gain access to electricity retail licences as outlined in section 2.2.5. DC Power Co. has engaged with multiple parties specifically around a white label service solution. The most efficient way to achieve this will be considered once the crowd-sourced funding offer closes.</p> <p>Compliance with regulation The electricity market is complex and DC Power Co. will be looking to hire a COO with relevant experience in the market either directly or via the merger or acquisition process.</p>
Funding Risk	<p>Minimum subscription amount The minimum subscription amount allows DC Power Co. to deliver an energy retailing offer via a white label service provider.</p> <p>Experienced advisors Venture Advisory, one of the original shareholders, has completed DC Power Co.'s earlier capital raisings and will lead the wholesale and sophisticated investor capital raise of up to \$5m. The capital raise is not underwritten and there is no guarantee that these funds will be raised.</p>
Savings Guarantee Risk	<p>Impact on profitability The Savings Guarantee is based on analysis of data and trends within the market. That analysis indicates that eligible customers will save money on their power bills with DC Power Co. In that scenario, DC Power Co. will not be required to pay 'refunds' to substantial numbers of customers via the Savings Guarantee. The terms and conditions of the Savings Guarantee may also be adjusted to reflect any significant change to industry conditions.</p> <p>A budget has been allocated to cover the estimated maximum number of customers that may be able to claim on the Savings Guarantee. This budget allocation, which reflects the analysis referred to above, reduces the likelihood of negative impacts DC Power Co.'s ongoing business.</p> <p>External price increases The likelihood of significant price increases is low in the current environment, and the risk will be further considered by DC Power Co. management at the launch of the Savings Guarantee. Indicatively, the terms and conditions of the Savings Guarantee will limit these variances to: wholesale energy pricing of up to 10% average increase; and network charges of up to 5%.</p>

<p>People Risk</p>	<p>Founders The founders are owners in DC Power Co. and have spent over 18 months creating the company. They are dedicated to launching a retailer for solar households. The Founders are parties to the Founding Shareholders Agreement (referred to in the Significant Shareholders section) which contains restraint provisions preventing the Founders from being involved with competing businesses during and after their engagement with DC Power Co.</p> <p>Conduct risk As a values-driven organisation, DC Power Co. will hire for ethical and behavioural alignment, and ensure that key performance indicators (KPIs) and other incentive programs recognise and reward customer-centric, ethical behaviours and outcomes.</p>
<p>Competition Risk</p>	<p>Market research and focus groups findings Our market research and focus groups as outlined in the Appendix, have shown that solar households would welcome a company dedicated to solar owners and owned by its customers. Having ownership as a key part of the DC Power Co. business.</p> <p>Team The founders team have all disrupted and changed sectors as outlined in section 2.4. This experience will equip them to change the electricity industry.</p>

3. Information about the Offer

DC Power Co is offering up to 9,500,000 shares at an issue price of \$0.50 per share to raise up to \$4,750,000.

The key terms and conditions of the crowd-sourced funding offer (Offer) are set out in Table below.

To participate in the Offer, investors must submit a completed application form together with the application money via the Intermediary’s platform. The Intermediary’s website provides instructions on how to apply for shares under the Offer.

The Intermediary must close the Offer early in certain circumstances. For example, if the Maximum Subscription is reached, the Offer must be closed. If the Minimum Subscription is not reached or the Offer is closed but not completed, you will be refunded your application money.

3.1 Terms of the Offer

Term	Details
Shares	Fully-paid ordinary shares
Price	\$0.50 per share
Minimum Subscription	\$1,750,000 of total offer under crowd-sourced funding
Maximum Subscription	\$4,750,000 of total offer under crowd-sourced funding
Opening date	15 March 2018
Closing date	15 April 2018, unless closed earlier by the Intermediary

Rights associated with shares are covered in the next section.

Investors may withdraw their application during the Cooling-off Period. Further information on investor cooling-off rights can be found in Section 4 of this crowd-sourced funding offer document.

We recommend investors seek independent advice before applying including financial and tax advice.

The funds raised under the crowd-sourced funding will be held in escrow until DC Power Co. has obtained, or secured the right via a third party, to an electricity retail licence. See section 2.5.3 of this crowd-sourced funding document for further detail.

The Offer is not underwritten and there is no guarantee that these funds will be raised.

3.2 Rights associated with ordinary shares

All shares already issued prior to the Offer are ordinary shares. All shares to be issued in accordance with the Offer will be ordinary shares.

Immediately after issue, the shares will be fully-paid shares. There will be no liability on the part of shareholders and the shares will rank equally with the other ordinary shares currently on issue.

The rights associated with the ordinary shares are set out in DC Power Co.'s Constitution. A summary of these rights is set out below.

Main rights attached to ordinary shares:

1. To receive notice of and to attend any general meeting of DC Power Co.
2. To vote at any general meeting of DC Power Co. on a show of hands, and on a poll, on the basis of one vote for each share held
3. To receive dividends (if they are paid)
4. To participate equally in the distribution of the capital and surplus assets of DC Power Co. (being any assets left over after all debts have been paid) in a winding up or reduction of capital of the DC Power Co.

3.3 Use of funds

The table below sets out the intended use of funds raised under this Offer based on the minimum and maximum subscription amounts.

Table: Use of funds

Intended use	Year 1: Minimum Subscription	Year 1: Maximum Subscription
Marketing & Comms	\$412,250	\$1,242,500
IT	\$225,000	\$900,000
Legal & Regulatory	\$60,000	\$60,000
Salaries & Consulting	\$700,000	\$1,750,000
Working capital	\$175,000	\$350,000
Other costs	\$177,750	\$447,500
Total funds	\$1,750,000	\$4,750,000

The table above is based on the funds required to build a white label energy retail service. In the event that DC Power Co. directly develops or acquires a retail licence via a merger or acquisition of an existing energy retailer, the use of funds will change dependent on the particular model and the details of the merger/acquisition.

We advise that some of the funds set out above will be paid to companies and individuals which have assisted in promoting or marketing the Offer.

This represents only the funds raised via the crowd-sourced funding campaign and does not include the matched funds as described in section 2.3.2c that DC Power Co. intends to raise. The matched funding from wholesale investors are not an essential component for the delivery of a white label solution. These funds add flexibility with respect to a merger or acquisition of an existing energy retailer and also create the potential to advance additional energy service offerings for customers as described in 2.3.1.

Some of the salaries will be paid to the executive and directors as remuneration.

The costs of the Offer include the Intermediary's fees under the hosting agreement between DC Power Co. and the Intermediary. These fees are 6.5% on the first \$1,750,000 raised and then 4.5% on any funds above that amount.

We expect that the Maximum Subscription amount will be sufficient to meet DC Power Co.'s short-term objectives over the next 12 - 18 months under a white label service solution.

If only the Minimum Subscription amount is raised, DC Power Co. will require further funding to be able to carry out its intended activities over the next 6-18 months. This will also depend on the amount of money raised via the fund raising from wholesale and sophisticated investors. If these funds are insufficient, DC Power Co. may consider undertaking a further crowd-sourced funding offer under the crowd-sourced funding regime. Until additional funding is obtained, we will scale back sales and marketing activities and continue to focus our cash resources on developing the retail and solar services business.

3.4 Details of previous crowd-sourced funding offers

DC Power Co. has not made any previous crowd-sourced funding offers. This is the first.

4. Information about investors rights

4.1 Cooling-off rights

You have the right to withdraw your application under this Offer and to be repaid your application money in full. If you wish to withdraw your application for any reason (including if you change your mind about investing in the Company), you must do so within five business days of making your application (the Cooling-off Period).

You must withdraw your application via the Intermediary's platform as follows:

You may withdraw your application via the Intermediary's platform by logging into your OnMarket account via the mobile app or website (www.onmarket.com.au). In the History panel, selecting "Manage" and "Cancel" and your application will be withdrawn. If you have any questions around this process please contact OnMarket via email (support@onmarket.com.au).

After your withdrawal has been processed, the Intermediary will refund the application money to your nominated account as soon as practicable.

4.2 Disposal of shares

We advise that under the *Corporations Act 2001* (Cth) there are restrictions on disposing of shares acquired under this Offer during the first 12 months from issue.

4.3 Communicating with you as an investor

As part of being an investor and owner of DC Power Co. we hope that you will be actively involved with the business not only as an investor but as a customer of our energy services business. As such we expect to be in regular communication and we look forward to your involvement.

Our website, www.dcpowerco.com.au, will contain information about our progress including annual general reports.

4.4 Effect of the corporate governance concessions

We plan to have high levels of engagement with you as investors, below are the minimum rules outlined by the crowd-sourced funding legislation.

4.4.1 Annual general meetings

The DC Power Co. is not required to hold an annual general meeting (AGM) for up to five years from its registration/conversion to a public company – being 26 February 2018 (assuming the DC Power Co. continues to meet the eligibility requirements).

This means that shareholders will not be provided with an opportunity to directly question the directors and management in an open forum about the management, business operations, financial position or performance of the DC Power Co., as this would usually take place at the AGM.

However, the directors of the DC Power Co. may still be required to hold a general meeting in other circumstances, for example, where requested to by shareholders with at least 5% of the votes that may be cast at a general meeting.

If shareholders have any queries or concerns about the DC Power Co., they should contact the company secretary directly companysecretary@dcpowerco.com.au

4.4.2 Annual report

The DC Power Co. is required to prepare annual financial reports and directors' reports at the end of each financial year and lodge these with ASIC (within four months of the financial year end). The DC Power Co. has a 30 June year end and its financial reports must be lodged by 31 October each year.

DC Power Co. will be required to have its financial reports audited for up to five years from its conversion to a public company – being 26 February 2018. DC Power Co. is yet to have its financial reports audited as it incorporated on the 20 June 2017. The first annual financial report will be for the financial year ending 30 June 2018, and DC Power Co. intends to have future financial reports audited.

The directors of DC Power Co. are required to make a declaration that the financial statements give a true and fair view of the DC Power Co.'s financial position and performance and that the financial statements comply with the accounting standards.

4.4.3 Distribution of annual reports

Provided DC Power Co. continues to meet the eligibility requirements under the crowd-sourced funding regime, DC Power Co. is not required to notify shareholders in writing of the options to receive or access the annual report.

Shareholders can access the annual report on DC Power Co.'s website at the following address www.dcpowerco.com.au or from ASIC. Shareholders will not be able to elect to receive a copy of the annual report by way of email or post.

4.5 Communication facility for the Offer

You can ask questions about the Offer on the communication facility available on the Intermediary's platform. You can also use the communication facility to communicate with other investors, with the DC Power Co. and with the Intermediary about this Offer.

You will be able to post comments and questions about the Offer and see the posts of other investors on the communication facility. The DC Power Co. and/or the Intermediary will also be able to respond to questions and comments posted by investors.

Officers, employees or agents of the DC Power Co., and related parties or associates of the DC Power Co. or the Intermediary, may participate in the facility and must clearly disclose their relationship to the DC Power Co. and/or Intermediary when making posts on the facility.

Any comments made in good faith on the communication facility are not subject to the advertising restrictions in the Corporations Act.

Glossary

Company or DC Power Co. means DCP Company Limited ACN 619 866 072

Cooling-off Period means the period ending five business days after an application is made under this Offer, during which an investor has a right to withdraw their application and be repaid their application money

CSF means crowd-sourced funding under Part 6D.3A of the Corporations Act

Intermediary means On-Market Bookbuilds Pty Ltd (ACN 600 703 848, AFSL 421 535)

Maximum Subscription means the amount specified in this crowd-sourced funding offer document as the maximum amount sought to be raised by the Offer

Minimum Subscription means the amount specified in this crowd-sourced funding offer document as the minimum amount sought to be raised by the Offer

Offer means an offer of fully-paid ordinary shares by the Company under this crowd-sourced funding offer document

Appendix

Marketing Primary Qualitative Research

Market research conducted with [Essence Communications](#) clarified critical consumer and industry insights, which have assisted directing the development and strategic approach of DC Power Co’s product and offer.

Research Outcomes

- › Understanding the mindset of existing solar energy clients – what was their motivation for converting to solar, and has that need been met?
- › Understanding the decision making and take up process (including pricing, touchpoints, channels, etc)
- › Identifying drivers and barriers to switch to different solar energy providers – are they open to switching, and if not, why?
- › Assess appeal of a range of propositions or offers that might trigger switching – for which offer might they switch?
- › Validated the opportunity for DC Power Co.’s customer offer
- › Clarity of customer segments for typology and sizing
- › Determined the most appealing offer and propositions outlined in the current offer

Audience

Our target audience included homeowners and main decision makers on moving to solar power for the house in the last 5 years. Demographics of any age, any gender. Half of the group to have switched energy providers in the last 7 years (where possible). Each group had between 8 and 10 participants with a maximum of 2 in each group to have purchased house with solar already installed.

Focus Groups	Collar Colour	Market
1	Blue	Melbourne – outer suburbs (Tarneit, Werribee)
2	Mixed	Sydney metro West (Seven Hills, Baulkham Hills)
3	Mixed	Gold Coast – Miami, Tweed Heads
4	White	Brisbane outer metro – newer suburbs
5	Blue/Grey	Adelaide metro – newer suburban
6	Mixed	Dubbo

Appendix

Secondary Research findings based on the following reports

UMR Strategic Research. (2016). *Usage of solar electricity in the national energy market*. Energy Consumers Australia, pp.30-95.

KPMG. (2016). *Residential PV. Customer Experiences and Future Developments*. Energy Consumers Australia, pp.39-67.

Energy Consumers Australia. (2016). *Energy Consumer Sentiment Survey Findings*. Energy Consumers Australia.

Roy Morgan. (2017). *Value Segments*. [online] Available at: <http://www.roymorgan.com/products/values-segments>

Accenture.com. (2017). *New Energy Consumer: Thriving in the Energy Ecosystem | Accenture*. [online] Available at: <https://www.accenture.com/us-en/insight-new-energy-consumer-thriving-new-retail-ecosystem>

Utility Dive. (2017). *Utility customer engagement goes digital*. [online] Available at: <http://www.utilitydive.com/news/utility-customer-engagement-goes-digital/444149/>

AEMC. (2016). *Retail Competition Review*.

Oxera. (2016). *Behavioural Insights into Australian Retail Energy*.

Morgan Stanley. (2017). *Shocked by the Power Bill*. Research paper

St Vincent de Paul. (2016-2017). *Energy Reports*. [online]. Available at: https://www.vinnies.org.au/page/Our_Impact/Incomes_Support_Cost_of_Living/Energy/

ABC Podcast. (2017). *Gridlock? Making sense of the electricity market*. [online]. Available at: <http://www.abc.net.au/radionational/programs/themoney/gridlock-the-economics-of-the-electricity-market/8421190>

Thwaites Report. (2017). *Independent review into the electricity & gas retail markets in Victoria*. Review. [online] Available at: <https://www.energy.vic.gov.au/about-energy/policy-and-strategy>