

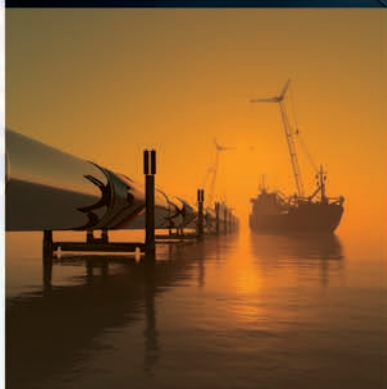


Financial year ended  
30 June 2020



# Annual Report

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**Comprehensive  
Energy Trading  
Solutions**

**energyone**

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### **Energy One Limited (ASX : EOL)**

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

With more than 15 years of market expertise and experience, the Energy One Group of Companies has a successful track record of providing sophisticated, practical solutions to Australasian and European companies operating in the fast-paced 24/7 wholesale energy marketplace.

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

Our suite of solutions makes all this possible by incorporating best-of-breed technology and market knowledge to provide convenient platforms for energy generators, retailers, producers, shippers, large scale users and traders to manage their entire wholesale trading portfolio, across multiple markets and geographies.

In FY20 the Energy One group was joined by eZ-nergy, a France-based supplier of SaaS software for energy balancing, scheduling, nomination and intra-day trading of energy across the European energy market.

The Energy One Group now has more than 200 customer installations in 17 countries and is a leading independent global supplier of wholesale energy trading software solutions.



# 2020 Chairman's Report

Dear Shareholder,

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

In FY2020, Energy One began to see the benefits flowing from the strategy of organic growth and synergistic acquisitions made in prior years. Revenues (+28%) and underlying earnings (EBITDA) (+23%) both grew strongly, as did net profit after tax which increased by 26% from 2019 to \$1.647M.

This year was marked by the very successful acquisition of eZ-nergy in continental Europe and continuing organic growth of the Australian and UK operations.

During the year we witnessed the impact of the COVID-19 pandemic on populations and economies. Fortunately, the Company has a robust and modern suite of IT systems to enable our employees to cooperate across time zones and geographies to engage with customers deliver products and upgrades to customers and solve problems. This has protected our employee's health and the Company's revenues. We are looking forward to getting together in office environments to enjoy the social and collaborative environments that have been a measure of our historic success, once we understand how to do that in the new normal.

Contigo's product development and sales effort has led to solid organic growth, and we have observed a number of early signs of the value of eZ-nergy in the portfolio. Contigo (combining with eZ-nergy in several cases) have delivered several high-quality major customers, and notably off the back of poor implementation projects by competitors. The combination of SaaS based products, of modern design and construction with a strong customer orientation is a good indicator of continued growth in our market share in our largest markets.

The eZ-nergy business also has a highly focussed business process outsourcing offering. This offers the opportunity when combined with our enFlow product – designed and developed in Australia – to create a compelling service offering with automation of low impact processes and professional guidance of out-of-normal decisions. This represents a growing need for all businesses in the energy markets with the shift from stable thermal generators and big retailers to a complex web of renewables, batteries, load shifting and multiplying market participants.

Energy One's local operations are also growing. The Enterprise grade products (Energy One Trading (EOT), Energy Offer (EO) and enFlow (EF)) are growing their penetration of the Australian market. Our customers continue to increase their utilisation of our product portfolio which provides organic growth. Major customers often commence our relationship with the EOT product, to bring a robust modern enterprise solution to their Risk & Trading systems. Our experience is that other products are subsequently added to the mix, to solve the specific and systemic problems they were designed for. In addition, the products continue to evolve, increasing their capability and attractiveness to the customer. We are also seeing a shift toward the solutions products (EF & EO) being used in combination to solve operational problems for new customers.

The combination of the above means that our recurring revenue is above 70%. More detail on the Company's operational performance can be found in the Chief Executive Officer's report.

Over the past few years, Energy One has pursued growth through both organic expansion and targeted acquisitions. The integration process has had to be fine-tuned to take account of the COVID restriction on travel in the integration of eZ-nergy.

The Board were pleased with the success of the SPP in the latter part of the year as part of the eZ-nergy acquisition and to improve the robustness of the Company's balance sheet in a period of increased uncertainty. Importantly, it gives the Board confidence in our financial capacity to continue pursuing further synergistic acquisition opportunities – if and when they should arise.



## **2020 Chairman's Report (continued)**

When reviewing the existing capital position of the business, and assessing the potential for future business growth, the Board remains mindful of the need to balance further new investment against the need to realise expected returns from investments already made. With both these matters in mind, the Board has decided to declare a final dividend of 3.5c per share in this reporting period.

Energy One's Board remains committed to improving the liquidity in the Company's traded shares on ASX. In this regard the volume of shares traded on ASX during FY2019 continued to increase, the number of shareholders increased and pleasingly the bid ask spread continues to narrow. The ongoing availability of the dividend reinvestment plan, in conjunction with the payment of an increased final dividend this year, is intended to provide a further incremental improvement in liquidity.

I reiterate that the Board of Energy One remains committed to maximising shareholder value by both growing, and improving the performance of the business over both the short and the long term.

In closing, I would like to again thank my fellow directors, management and staff for their continued support, dedication, and strong efforts throughout this busy and productive year. In particular I would like to highlight the quality of this years' results in Australia and the UK despite the inevitable disruption created by the acquisition in France of eZ-nergy, our first equity raising and COVID on both sides of the world. This is a testament to the leadership of your CEO and the quality of the managers he has developed as part of his team.

**Andrew Bonwick**  
**Chairman**

## Chief Executive Officer's Report

I am pleased to announce another year of profitable growth for the Group, with revenues up 28% and net profit after tax up 26% on the prior year.

To date, the business has not been materially affected by COVID-19. Our customers (for the most part) are large utility companies and infrastructure providers operating in the gas and electricity markets. The Group provides its Software-as-a-Service to these entities, where it is generally considered mission-critical in order to ensure daily operations are maintained. In addition, our staff are highly skilled IT professionals who routinely install software remotely from customers premises. To this end all our employees can also work remotely from home. The robustness of selling SaaS to blue-chip customers has certainly been borne out during the recent uncertain environment.

In FY18 the Energy One Limited Group began building a presence in Europe after a period of market research confirmed a much larger potential market. It is therefore pleasing to announce that in FY20, 44% of our revenue is now being generated in UK/Europe. The Group now has customers in 17 countries and is well positioned as a global-reach, independent player in the energy trading software market.

Comparative EBITDA, net of adjustments such as one-off acquisition costs and lease accounting changes, was \$4.7M, up 23% on FY19 while EBITDA was \$5.3M, up 38% on the prior year. These results include contributions from U.K-based Contigo Software (Contigo) for a full 12 months and French based eZ-nergy (eZ), contributing 1 month.

Group EBITDA margin for FY20 was 26% (FY 19: 24%).

Group recurring revenues were 77% of operating revenue. These recurring revenues arise from SaaS fees, which are generally renewed automatically on an annual basis. The balance of operating revenue arises from one-off project work such as 'time and materials' fees for installation, bespoke enhancements or consulting.

The UK business has grown beyond our original expectations, producing revenue of \$8.7M and EBITDA of \$1.6M (upon acquisition, we noted 'first full year' forecasts of \$8.5M and \$1.25M respectively). This result indicates not only the quality of the business but also the benefits gained from integration.

The FY20 results emphasise the Group's ability to continue to produce high quality revenues and profitability, during uncertain times.

Net assets increased by \$9.7M during the year with closing cash of \$3.53M. Notably, cash is up from \$2.2M at June 19. During the year, we successfully raised equity capital via two raisings (a placement for \$4.4M and an oversubscribed SPP for \$1.815M). The funds being used to partially fund the eZ acquisition and for working capital.

Total debt was reduced from \$6.5M to \$0.6M with \$4.45M available for redraw (see note 16).

In the final month of FY20, we successfully completed the acquisition of eZ-nergy SAS (pronounced *easy-Nergy*), a French company providing software and services to the European energy industry. Albeit for one month, the contribution of eZ was revenue of \$0.32M and EBITDA of \$0.12M. Given the nature of the business, this is not a direct pro-rata proxy for a full year. The Group will provide more detail and insight into eZ's future expected performance in due course.

## Chief Executive Officer's Report (continued)

### Australasian Business Review and Outlook

While Energy One now offers a global reach and support for our international customers, our Australasian territory (Australia, NZ and Singapore) remains important to us, with these markets key to our performance, providing 56% of group revenue.

Performance of the domestic Australasian business remained strong, with that business generating EBITDA margin of 29% (FY19: 26%). While revenue growth for FY20 was a modest 4%, EBITDA grew by 14% (or 8% on comparative basis, net of lease and other adjustments). As previously announced the Australian business has been investing in its software to cater for regulatory market changes that our customers will need to comply with. Importantly, 79% of operating revenue from the Australasian business was recurring in nature. We classify recurring revenues as those arising from SaaS fees (licence, support and hosting fees). These revenues are a key focus of management and have grown consistently over several years.

Within Australia, Energy One is the leading supplier of specialist software and services to the highly complex *wholesale energy trading market* (i.e. bulk energy, typically electricity and gas). We offer a 'suite' of products that meet the wide and varied needs of energy traders, generators, retailers and industrial customers. Our client base includes blue-chip firms prominent in the energy market.

In the year ahead we are confident our ongoing sales and marketing effort in Australasia will result in new sales, albeit at a steady pace, given the finite size of the market and the fact that some 50% of the wholesale energy traded in Australia is already facilitated using our systems. Nonetheless, during FY20, we added 9 new customers. Of these, 6 were 'small' (revenue <\$100k p.a.) and 3 were medium (\$300k+ each, over the first 12-24 month period). We also completed 2 'large' projects that commenced in FY19.

In addition to new sales there were also some upgrades and sales of additional products and modules to existing customers. On the flip side, we lost 7 smaller customers, (totalling ~\$300k p.a. of revenue), due to market exits. This is slightly higher than normal and acted as a slight drag on domestic revenue - we would normally expect 3-5 customers to exit the market. Pleasingly no customers were lost to competitors and our bad debts were close to nil.

During the year we made considerable investments in our products, notably preparing them for the coming 5-minute settlement (5MS) market. The work has progressed almost to completion and we are comfortably positioned ahead of these market developments. The deadline for the market switch has been delayed by market regulators and is now scheduled to occur on 30<sup>th</sup> September 2021, although customers are naturally gearing up to be ready in advance of those dates.

The projects will typically generate revenues from one-off upgrades with a minor recurring component. For FY21 we already have contracted revenues of \$0.7M for upgrades and can expect some more to follow. We also expect to secure 1 or 2 medium/large ETRM projects as well as some new smaller customers.

Energy One has a highly capable team of experts bringing knowledge and solutions to address our customer and market needs (including new technologies such as batteries, solar and wind). The stability, knowledge and dedication that our employees bring is unrivalled by any competitor in the Australian marketplace and we are pleased to involve all of our employees as co-owners via the Company's employee share scheme.

## Chief Executive Officer's Report (continued)

### European Business Review and Outlook

In November 2018, we made a key strategic step forward with the acquisition of Contigo Software Limited, a leading UK-based ETRM vendor.

In June 2020, we completed the acquisition of eZ-nergy SAS (eZ), a French company supplying energy trading software and services to 45 customers across Europe.

eZ and Contigo are highly synergistic businesses and together they give us good access to the broader European market for cross-selling and bundling opportunities with both companies products being highly complementary.

Contigo's first 18 months has been a period of consolidation, integration and organic growth. Numerous integration projects have taken place including IT, administration and back office systems. Other joint programs are well underway for joint marketing, cross-selling and technical knowledge-sharing.

Contigo produced \$8.7M of revenue in its first full financial year and EBITDA was \$1.6M up 28% on acquisition forecasts, in part due to increased efficiencies and our strong focus on generating profitable business.

Contigo's recurring revenues were 75%, up from 63% this time last year.

Creating cross-selling opportunities between our software platforms is a key component of our strategy. To illustrate this the Australian Value at Risk (VaR) module will soon be offered to Contigo's customers as part of their enTrader product. Furthermore, in early 2020, we won our first EU customer as a result of a combined offering of the UK and Australia product range. This is a large project for a prestigious European energy system operator and was made possible by our combined product offerings.

Contigo added new customer-installations during the year (3 small, 3 medium and 2 large), giving them a total of 51 customer installations, as well as upgrades and enhancements. These new signings were a mix of businesses from both the UK and Europe. Contigo lost 3 customers (mainly due to market exits) but won another one back from a competitor, emphasizing Contigo's superior product offering.

The UK and European market for ETRM software is more competitive than Australia with large international ETRM vendors active across the region. Given Contigo can regularly add new customers in such a competitive environment is a credit to the product and to the European leadership team.

In June 2020, we welcomed eZ to the Group. eZ is a French company offering software and services aimed predominantly at the physical trading and scheduling market (day-ahead and intraday) with some 45 customers in 9 countries across Europe. Established in 2013 by three founders (who will be staying on to run the business), eZ has been consistently profitable with a high SaaS recurring revenue stream in the order of 85+% of operating revenue.

Operationally, eZ and Contigo will be consolidated and the leadership team headed by our European CEO, Simon Wheeler. As previously mentioned eZ and Contigo's products are highly complementary:

- eZ-Ops and enTrader – these two products now provide an opportunity for customers to manage both their physical and their contract energy positions seamlessly. The two products already share three customers.
- eZ-Ops scheduling and enVoy – can be integrated to take advantage of the relative strengths of each product in the respective UK and EU energy markets.
- Common technology and cultural strengths – Contigo and eZ product share the same underlying technology, allowing for strong integration and operational synergies.

## Chief Executive Officer's Report (continued)

Both companies' products are Software-as-a-Service offerings, making them fast to deploy, cost-effective and reliable for users. eZ also offer business process outsourcing for the scheduling and nominations, a business-line we intend to develop and grow.

Contigo and eZ have already had their first joint win with a large prestigious European utility company. To win this project, eZ and Contigo were able to offer a single unified solution and support for the customer.

As mentioned, both eZ and Contigo's products are modern, easy to implement and SaaS-based, giving the team a strong value proposition for new market entrants and other energy players looking for convenient and reliable solutions for both physical and contract energy trading. In a market where the three largest ETRM providers have

been bought by a single private equity company the presence of an independent, agile supplier of rapidly-deployed and cost-effective solutions provides customers with a genuine and attractive alternative.

### Looking forward to the year ahead

The Energy One group is now a provider of energy trading software with global-reach. With a broad customer base, established brands and sound financials, the Group is keen to continue to build upon its achievements domestically and internationally.

During the past year we have demonstrated that we can achieve outcomes despite the emergence of COVID-19. Our companies operate within an essential industry (energy) providing mission-critical software to enable our customers (many of whom are large blue-chips) to carry on their energy trading business and delivery of physical gas and electricity to their customers. Furthermore, SaaS-based products can be installed remotely (in the cloud) resulting in no need for travel to customer sites. Our employees are knowledge-workers who can work remotely with access to customers via video-conferencing. All our (now) 115 employees were reliably operating from home in the first part of 2020 and we expect this trend to continue. Our Australian revenues have not been augmented by the Australian JobKeeper or rent adjustment concessions.

We expect that our business will remain materially unaffected by COVID-19 in the coming year, but we are aware that we may see some smaller customers exit the market and/or mergers between larger players. For this reason, we are expecting a steady year ahead in terms of organic growth in customer numbers.

In addition to seeking this organic growth, the Group continues to actively seek strategic growth through prudent acquisitions and other strategic relationships related to highly complementary businesses.

In keeping with past practice, the Group wishes to provide shareholders with an indication of the shape of the business going forward, now that Contigo has been successfully integrated. As such, our expectations are that for FY21, the Group is likely to achieve revenues in the order of \$25M and EBITDA of approximately \$6.5M.

In closing, I would like to thank the Directors, our management team and all employees for their effort and commitment during this year. We look forward to another prosperous year ahead.

**Shaun Ankers**  
Chief Executive Officer

## Directors' Report

for the year ended 30 June 2020

Your directors present their report on Energy One Limited (the Company) and its controlled entities (the Group) for the financial year ended 30 June 2020.

### Principal activities

The principal activity of the Group during the financial year was the supply and development of software and services to energy companies and utilities.

There were no significant changes in the nature of the principal activities of the Group during the financial year.

### Review of operations

Total revenue and other income for the year was \$20,604,000.

After costs the Group produced an adjusted EBITDA\* of \$5,320,000 (2019 : \$3,851,000) and a net profit before tax of \$2,340,000 (2019 : \$2,063,000). The net profit after tax was \$1,647,000 (2019 : \$1,309,000).

The Group's net assets increased by \$9,715,000 compared to the prior year. As of 30 June 2020 the Group's cash position of \$3,534,000 has increased by \$1,318,000 from FY19.

The Company raised \$6,215,000 in equity through a share placement during the year to fund the acquisition eZ-energy SAS, pay down debt and provide ongoing working capital.

The following five year summary table highlights EOL's continued business growth :-

in \$'000s	2016	2017	2018	2019	2020
Revenue and other income	5,167	6,117	9,927	16,065	20,604
EBITDA *	1,177	1,415	2,499	3,851	5,320
<b>Net profit / (loss) before tax *</b>	<b>924</b>	<b>967</b>	<b>1,718</b>	<b>2,444</b>	<b>2,727</b>
Income Tax Expense	(459)	(443)	(678)	(754)	(693)
<b>Net profit / (loss) after tax</b>	<b>465</b>	<b>307</b>	<b>1,040</b>	<b>1,309</b>	<b>1,647</b>
Basic earnings per share (in cents)	2.53	1.63	5.16	6.22	7.39
Share Price	0.30	0.40	0.91	1.64	3.90

\* Before one off acquisition and related costs

The Energy One Group offers comprehensive and integrated software solutions for the trading of both physical and contract energy in Australasia, UK and Europe. With an established market presence, the Group continues to be a market leading provider of software and services to this sector of the market, and is one of the largest independent providers globally.

The Group continues investing in research and development. For the year ended 30 June 2020 received a tax grant offset of \$286,000 associated with the R&D activities. As the Group had revenue greater than \$20 million, so in line with AASB 120, applicable tax legislation and ATO guidance, any incentive received is recognised as an offset to income tax expense. In prior years the Group Revenues were less than \$20 million and those grants were capitalised and deferred, then recognised in the profit and loss as research and development incentive income over the period necessary to match them with the costs that they are intended to compensate.

Judgement has been exercised in considering the impacts that the Coronavirus (COVID-19) pandemic has had, or may have, on the Group based on known information extending to the nature of the products and services offered, customers, supply chain, staffing and geographic regions in which the Group operates. The Directors consider that there does not currently appear to be either any significant impact upon the financial statements or any significant uncertainties with respect to events or conditions which may impact the consolidated entity unfavourably as at the reporting date or subsequently as a result of the Coronavirus (COVID-19) pandemic.



**Significant changes in state of affairs**

The Company acquired eZ-nergy SAS on 3rd June 2020, as a result the Company incurred one off acquisition costs and ongoing borrowing costs in relation to acquisition financing. Further information is provided in the notes to the financial statements. There were no other significant changes in the state of affairs for the Group during the 2020 financial year.

**After balance date events**

There have been no after balance date transactions that have significantly affected or may significantly affect the operations of the Group, the result of those operations or the state of affairs of the Group subsequent to the year ended 30 June 2020.

**Future developments, prospects and business strategies**

The Group has successfully pursued a strategy for growth that involves diversification of products, services and markets. The strategy targets both organic growth across its suite of products and services, the development of new and innovative products for new market segments - and via targetted acquisitions in key territories, as value-based opportunities arise.

Energy One's customers are producers, traders, retailers and users of energy. The suite of products has been developed for complex and fast-moving energy trading, and offers unrivalled functionality for the markets our customers operate in. Our customers include leading blue chip businesses in Australasia, UK and Europe.

The Group has focus both on its domestic market of Australasia, and on the identified growth markets of UK and Europe, from which territories it derived 44% of revenue in the financial year. During the year, we acquired eZ-nergy SAS ("eZ"), an established French company providing SaaS energy scheduling software and services to 45+ customers in the EU. The eZ business is highly synergistic with that of our UK flagship brand Contigo. The two companies will be combined operationally, and will offer packaged and bundled products and services. Furthermore, continued integration benefits across the Group are significant, with technology, support and back-office processes already providing synergies and improved margins. The expansion of our Group firmly assures our evolving presence as a global-reach, independent supplier of this sophisticated market technology.

Our products are generally available both as on-premise and as Software-as-a-Service (SaaS), taking advantage of the growing trend towards cloud and SaaS type offerings in the software industry. These types of deployments bring advantages both to the customer (in terms of reduced technological load and increased convenience) and for the Group (in terms of efficiencies in the build-and-deploy and maintenance of products).

Our expertise includes the following areas, all based on SaaS software platforms:

- Wholesale energy market analytics, intuitive reports and alerting (including mobile applications).
- Wholesale energy and environmental trading software, including front, middle and back office (ETRM).
- Physical energy scheduling, bidding, nominations, dispatch and trading in both electricity and gas.
- Automation of energy trading business processes.
- Risk management tools and software.
- Application hosting and management
- Versatile deployment and licensing solutions.

The Group remains committed to ongoing innovation, and regularly invests in the order of 5%-10% of turnover in the development or enhancement of its products in each year. Highlighted products from our range are detailed below : -

**Future developments, prospects and business strategies (continued)***eZ-Ops - European energy (power and gas) balancing, scheduling and nomination*

eZ-Ops is a web energy trading solution focussed on automating physical gas and power logistics and short term portfolio balancing Europe. Algorithmic energy trading, energy position management, gas and power nominations and power generation scheduling are part of the key functionalities. eZ-Ops is highly scalable with a rapid implementation. Together with our enTrader and enVoy platforms, eZ-Ops provides a pan-European energy trading, balancing and scheduling solution for customers with a complex, multi-national energy portfolio.

*enTrader - European Energy Trading & Risk Management Software*

enTrader® is an award-winning Energy Trading and Risk Management (ETRM) solution, that simplifies energy trading, and is used by leading energy businesses in the UK and across Europe. Using the latest technology and delivered as SaaS, it can be implemented quickly and with low risk, to support all traded European energy market derivatives. The software features advanced capabilities to manage any point in the energy value chain, including generation, wholesale and retail trading. It is designed to be easy to use and flexible, so that it can adapt with businesses, without the need for costly re-configuration.

*NemSight - Energy Market Analytics*

Energy trading, data and reporting analytics are all-important in energy trading. Energy One offers a powerful suite of tools providing market analytics for both electricity and gas. In addition, we offer reporting tools to enable customers to rapidly analyse and report trading positions across their derivatives and environmental hedge books. NemSight is the most popular analytics system in the Australian market.

*EnergyOne Trading and SimEnergy - Australasian Energy Trading and Risk Management*

These two established products are well-regarded ETRM systems providing rapid deployments for energy, carbon and environmental certificate trading requirements. SimEnergy is an ETRM system providing functionality out-of-the-box in a cost-effective package while EOT is an enterprise ETRM system focusing on multi-commodity energy companies. These two products combined, are the most popular systems of their type in the Australian market for the capture, valuation and settlement of energy (electricity, oil and gas) contracts and derivatives.

*Physical Energy Bidding, notification and scheduling software (EnergyOffer and enVoy)*

EnergyOffer is the leading enterprise bidding system, enabling electricity generators to bid their energy into Australian spot markets. This vital process is a 24/7 mission-critical process for energy companies and EnergyOffer provides customers with the necessary reliability required to offer their wholesale energy and generation into the various markets such as NEM, STTM, WEM and VicGas. enVoy is a customisable communications framework that allows UK generators and trading organisations to pass power and gas industry data to and from market and system operators (including Elexon ECVN, EDT and EDL). This robust solution is configured to easily adapt to new industries, market rules or data flows.

*EnergyFlow (enFlow) - Energy business automation*

The EnergyFlow (enFlow) platform is an innovative business process automation solution, with a particular focus on the data intensive applications found in the energy industry. enFlow allows customers to automate energy business operations - from logistics and nominations in energy, environmental transactions, and settlements and position reporting. This platform enables businesses to make complex process flows automated, transparent and routine, eliminating unnecessary manual tasks, improving compliance and record-keeping and reducing paperwork.

**Future developments, prospects and business strategies (continued)**

*Gas Transmission scheduling and billing (pypIT and enFlow)*

For TSOs (gas and power) the need to receive trade orders from customers is a mission-critical activity - as is the scheduling, messaging, reconciliation and settlement (billing) of those shipments. For Australasian gas, pypIT is a leading platform, serving 40% of Australia's bulk gas transmission and used by several of Australia's blue-chip infrastructure companies. For smaller-footprint TSOs (and storage suppliers), enFlow provides an economical solution that can be tailored for local business processes.

Energy One continually explores growth opportunities through targeted acquisitions or technology sharing arrangements, especially where those opportunities provide strategic synergies for the business within our chosen markets and in keeping with our focus and vision. This is an ongoing strategy for the Company and opportunities are assessed on a value basis as they arise.

**Environmental issues**

The Group's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or a State or Territory.

**Dividends paid or recommended**

The Directors declared a final ordinary unfranked dividend of 3.5 cents (\$890,000) to be paid on 16 October 2020 in respect of the year ended 30 June 2020.

The Directors declared a final ordinary unfranked dividend of 3.0 cents (\$645,895) paid on 16 October 2019 in respect of the year ended 30 June 2019.

**Directors**

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

**Andrew Bonwick**

Chairman - Independent Director

Qualifications

B App.Sc.; M Comm

Experience

Mr Bonwick was the Managing Director of ASX listed Australian Energy Limited and prior to that was the Marketing Director of Yallourn Energy for 6 years. His career has included roles in senior management, institutional equity research and management consulting.

Interest in Shares and Rights

535,022 Ordinary Shares

27,027 Share Rights

Directorships held in other listed entities in the last 3 years

N/A

**Shaun Ankers**

Chief Executive Officer / Non-independent Director

Qualifications

BSc (Hons), GradDip Mgt

Experience

Mr Ankers has more than 25 years business experience, focused on the growth and development of technology businesses, including sales and marketing experience with Utilities and major clients.

Interest in Shares and Rights

920,550 Ordinary Shares

200,000 Share Rights

Directorships held in other listed entities in the last 3 years

N/A

## Directors' Report (continued)

for the year ended 30 June 2020

### Directors (continued)

<b>Ian Ferrier</b>	Non-independent Director
Qualifications	CA
Experience	Mr Ferrier has over 40 years experience in corporate recovery and turnaround practice. Mr Ferrier is also a director of a number of private and public companies. He is also a fellow of The Institute of Chartered Accountants in Australia.
Interest in Shares and Rights	7,478,828 Ordinary Shares 13,514 Share Rights
Directorships held in other listed entities in the last 3 years	Goodman Group Limited - Chairman Reckon Limited - Chairman (resigned Jul 2018)
<b>Ottmar Weiss</b>	Non-independent Director
Qualifications	BA (accounting); FCPA; CTA
Experience	Mr Weiss has over 30 years experience in finance, commercial property, banking, and risk management, as well as being a qualified accountant and registered Tax Agent. Previously, Mr Weiss worked at Macquarie Bank. Mr Weiss is also a director of a number of private companies.
Interest in Shares and rights	1,689,732 Ordinary Shares 14,865 Share Rights
Directorships held in other listed entities in the last 3 years	N/A
<b>Vaughan Busby</b>	Non-independent Director
Qualifications	B.Pharm; MBA (IMD business School Switzerland)
Experience	Mr Busby is a director of Energy Queensland, Australia's largest energy company, and Chairman of Netlogix Australia Ltd. Previously Mr Busby was Chairman of Perth Energy and a Non Executive Director of Lumo Energy, Infratil Energy Australia, the Managing Director of HRL Morrison & Co Australia, the CEO of Energy One, and a Director of Ferrier Hodgson.
Interest in Shares and Rights	4,104,269 Ordinary Shares 16,216 Share Rights
Directorships held in other listed entities in the last 3 years	N/A

### Company Secretary

The following person held the position of Company Secretary at the end of the financial year:

<b>Richard Standen</b>	Chief Financial Officer & Company Secretary
Qualifications	BEC; CPA; ACIS
Experience	Mr Standen has served as CFO & Company Secretary of eBet Limited, CFO of DataDot Limited both ASX listed technology companies and was previously Managing Director of CFO consulting business aimed at a variety of business and industries. Mr Standen has over 30 years of senior finance and accounting experience.

**Meetings of Directors**

The number of meetings of the Company's Board of Directors and of each Board Committee held during the year ended 30 June 2020, and the numbers of meetings attended by each Director were:

	Board Meetings		Audit Committee		Remuneration Committee		Risk Management Committee	
	Number eligible to attend	Number attended	Number eligible to attend	Number attended	Number eligible to attend	Number attended	Number eligible to attend	Number attended
Ottmar Weiss	13	13	2	2	1	1	1	1
Shaun Ankers	13	11	2	2	1	1	1	1
Ian Ferrier	13	12	NA	NA	1	1	NA	NA
Andrew Bonwick	13	13	2	2	1	1	1	0
Vaughan Busby	13	13	2	2	1	1	1	1

**Indemnifying officers or Auditor**

The Company has paid premiums to insure all of the directors and officers against liabilities for costs and expenses incurred by them in defending any legal proceedings arising out of their conduct while acting in the capacity of director of the Company, other than conduct involving a wilful breach of duty in relation to the Group. The amount of the premium which covers a one year period was \$131,000 (excl GST). Indemnity has not been provided for auditors.

**Proceedings on Behalf of Group**

No person has applied for leave of Court to bring proceedings on behalf of the Group or intervene in any proceedings to which the Group is a party for the purpose of taking responsibility on behalf of the Group for all or any part of those proceedings. The Group was not a party to any such proceedings during the year.

**Non audit services**

The Board of Directors, in accordance with advice from the audit committee, is satisfied that the provision of non-audit services during the year is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*. The directors are satisfied that the services disclosed below did not compromise the external auditor, BDO Audit Pty Limited's independence for the following reasons :

- all non-audit services are reviewed and approved by the audit committee prior to commencement to ensure they do not adversely affect the integrity and objectivity of the auditor; and
- the nature of the services provided do not compromise the general principles relating to auditor independence in accordance with APES 110: Code of Ethics for Professional Accountants set by the Accounting Professional and Ethical Standards Board

The following fees for non-audit services were paid/payable to the external auditors during the year ended 30 June 2020:

Taxation and other services	\$42,044
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**Auditor's independence declaration**

The auditor's independence declaration for the year ended 30 June 2020 has been received and can be found after the directors' report.

**REMUNERATION REPORT - AUDITED**

This report details the nature and amount of remuneration for each director of Energy One Limited, and for the executives receiving the highest remuneration. The information provided in this report has been audited as required by section 308 (3C) of the Corporations Act 2001.

***Remuneration policy***

Energy One's remuneration policy ensures that remuneration packages properly reflect the person's duties and responsibilities, and that remuneration is competitive in attracting, retaining and motivating people of the highest quality.

The Remuneration Committee reviews and makes recommendations to the Board of Directors and senior executive remuneration and overall staff remuneration and incentive policies.

When making recommendations, the Committee aims to design policies that attract and retain the executives needed to run the Company successfully and to motivate executives to pursue appropriate growth strategies while aligning shareholder return with remuneration.

Remuneration for senior executives typically comprises a package of fixed and performance based components. The Committee may, from time to time, seek advice from special remuneration consulting groups so as to ensure that the Board remains informed of market trends and practices.

Executive remuneration and the terms of employment are reviewed annually having regard to personal and corporate performance, contribution to long-term growth, relevant comparative information and independent expert advice. As well as a base salary, remuneration packages include superannuation, performance-related bonuses and fringe benefits.

Performance-related remuneration for key management during the 2020 financial year was tied to Group profitability.

Executives are also entitled to participate in the employee share and option arrangements.

The Chief Executive Officer and executives receive a superannuation guarantee contribution required by the government, which was 9.5% in the year ended 30 June 2020, and do not receive any other retirement benefits.

All remuneration paid to directors and executives is measured at the cost to the Group and expensed. Shares given to directors and executives are valued as the difference between the market price of those shares and the amount paid by the director or executive. Rights are valued using the volume weighted average share price.

The maximum aggregate amount of fees that can be paid to non-executive directors is subject to approval by shareholders at the Annual General Meeting. 50% of remuneration for non-executive directors is not linked to the performance of the Group and 50% in relation to share rights have continuous service obligations. To align directors' interests with shareholder interests, the directors are encouraged to hold shares in the Company and are able to participate in the employee incentive plan.

***Key management personnel remuneration policy***

The remuneration structure for key management personnel is based on a number of factors, including the particular experience of the individual concerned, and overall performance of the Group. The offers for employment between the Companies in the group and key management personnel are on a continuing basis, the terms of which are not expected to change in the immediate future.



**REMUNERATION REPORT - AUDITED (continued)**

Employment offers stipulate various notice periods. The Company may terminate an employment contract without cause by providing written notice or making payment in lieu of notice, based on the individual's annual salary component together with a redundancy payment as per relevant legislation. The employment conditions of the Chief Executive Officer, Mr Ankers and other key management personnel are formalised in offer letters of employment. All key management personnel are permanent employees of Energy One Limited. Termination payments are generally not payable on resignation or dismissal for serious misconduct. In the instance of serious misconduct the Company can terminate employment at any time. Mr Ankers has a termination notice period of 12 months.

Non-executive directors are entitled to be paid fees and those fees will be as agreed or adjusted by them, from time to time.

The remuneration committee determines the proportion of fixed and variable compensation for each key management personnel. Other than share rights and bonuses, compensation is not related to performance. Bonuses are determined as a percentage of net profit before tax and such bonuses as determined by the Board and reviewed annually. Bonuses are paid in cash or sacrificed as additional superannuation contributions.

**Directors and key management personnel remuneration**

For the year ended 30 June 2020	Short-Term Benefits		Post-Employment		Equity	Long Term Benefits	Total
	Salary, commissions, fees \$	Bonuses \$	Super-annuation \$	Term-ination \$	Shares & share rights \$	Long service & annual leave \$	\$
Andrew Bonwick - Chairman	50,000	0	0	0	49,129	0	99,129
Shaun Ankers - CEO	372,082	147,789	25,000	0	278,608	7,742	831,222
Ottmar Weiss - Director	25,114	0	2,386	0	38,154	0	65,654
Ian Ferrier - Director	22,831	0	2,169	0	28,404	0	53,404
Vaughan Busby - Director	30,000	0	0	0	32,548	0	62,548
Richard Standen - CFO & Co Secretary	236,769	0	24,999	0	153,884	16,791	432,443
Dan Ayers - General Mgr Commercial	265,529	0	23,622	0	50,154	(2,960)	336,345
Simon Wheeler - CEO Europe	239,418	18,709	19,153	0	25,261	0	302,541
	<b>1,241,743</b>	<b>166,498</b>	<b>97,329</b>	<b>0</b>	<b>656,142</b>	<b>21,574</b>	<b>2,183,286</b>

For the year ended 30 June 2019	Short-Term Benefits		Post-Employment		Equity	Long Term Benefits	Total
	Salary, commissions, fees \$	Bonuses \$	Super-annuation \$	Term-ination \$	Shares & share rights \$	Long service & annual leave \$	\$
Andrew Bonwick - Chairman*	34,045	0	0	0	25,754	0	59,799
Shaun Ankers - CEO	350,798	133,737	25,000	0	104,646	27,999	642,180
Ottmar Weiss - Director**	41,096	0	3,904	0	49,379	0	94,379
Ian Ferrier - Director	22,831	0	2,169	0	25,754	0	50,754
Vaughan Busby - Director	40,000	0	0	0	27,883	0	67,883
Richard Standen - CFO & Co Secretary	219,247	10,349	20,550	0	28,432	33,730	312,308
Dan Ayers - General Mgr Commercial	285,000	36,000	23,256	0	27,195	10,445	381,896
Simon Wheeler - CEO Europe***	120,600	36,350	8,270	0	0	0	165,220
	<b>1,113,617</b>	<b>216,436</b>	<b>83,150</b>	<b>0</b>	<b>289,042</b>	<b>72,174</b>	<b>1,774,419</b>

\* Andrew Bonwick appointed Chairman on 19 April 2019

\*\* Ottmar Weiss resigned as Chairman on 19 April 2019

\*\*\* Simon Wheeler commenced 4 December 2018

**REMUNERATION REPORT - AUDITED (continued)**
**Share rights**

Share Rights have been issued and approved by shareholders under the Energy One Equity Incentive Plan (EIP) which was approved at the 2017 AGM on 26 October 2017 and the Contigo Employee Incentive Plan (CEIP).

A share right is a right to receive one ordinary share in the Company at a point in the future subject to meeting specified time (service), and in the case of KMP and Shaun Ankers, service and performance (profit benchmarks) and/or other conditions (collectively called 'vesting conditions'). If the applicable conditions for each employee or KMP are met, the share rights will vest and may be exercised by the holder of the right in return for an ordinary share in the Company. There are no financing arrangements in relation to the acquisition of service rights.

The share rights issued to Directors and key management personnel under the EIP (which was approved at the 2017 AGM) and the CEIP were:

*Service & Performance Rights to Shaun Ankers, CEO; Richard Standen, CFO & Company Secretary; Dan Ayers, General Manager Southern; Simon Wheeler, General Manager Contigo and other senior managers under the long term incentive (LTI) program.*

The performance and remuneration arrangements have been reviewed under the Company's annual review process. That process led to a recommendation to seek shareholder approval to grant Performance Rights under the Company's EIP.

The remuneration arrangements are based on the Company's remuneration strategy. This strategy seeks to provide fair and appropriate rewards, comprised of fixed and 'at risk' elements, designed to attract, retain and motivate employees. These Performance Rights represent the majority of 'at risk' remuneration; 100% have been achieved and 0% are forfeited.

The Remuneration Committee has set performance vesting conditions as part of the remuneration packages in accordance with the Company's long-term incentive scheme (LTIS). The conditions have been set in advance, taking into account expected earnings growth by the directors. These performance rights are 'at risk' and will be forfeited if the performance conditions are not achieved.

*Service Rights to non-executive directors as part of their director fee package.*

The non-executive directors receive a proportion of their director fees in the form of Service Rights under the EIP. The advantage to the Company is that the Service Rights represent a non-cash form of remuneration. Accordingly 71,622 Service Rights were granted to Messrs. Weiss, Bonwick, Busby and Ferrier.

At the date of this report, the unissued ordinary shares of Energy One Limited under rights issued are as follows:

<b>For the year ended 30 June 2020</b>	Balance as at 01/07/19	Granted as remuneration	Vesting of share rights	Expiring share rights	Balance as at 30/06/20	Fair value of vested shares (\$)
Andrew Bonwick - Chairman	23,723	27,027	(23,723)	0	<b>27,027</b>	<b>22,784</b>
Shaun Ankers - CEO	200,000	200,000	(200,000)	0	<b>200,000</b>	<b>193,100</b>
Ottmar Weiss - Director	47,447	14,865	(47,447)	0	<b>14,865</b>	<b>45,568</b>
Ian Ferrier - Director	23,723	13,514	(23,723)	0	<b>13,514</b>	<b>22,784</b>
Vaughan Busby - Director	23,723	16,216	(23,723)	0	<b>16,216</b>	<b>22,784</b>
Richard Standen - CFO & Co Secretary	42,703	75,000	(42,703)	0	<b>75,000</b>	<b>41,229</b>
Dan Ayers - General Mgr Commercial	42,703	31,926	(42,703)	0	<b>31,926</b>	<b>41,229</b>
Simon Wheeler - CEO Europe	0	31,528	0	0	<b>31,528</b>	<b>0</b>
Other senior managers	106,895	150,162	(106,895)	0	<b>150,162</b>	<b>103,207</b>
	<b>510,917</b>	<b>560,238</b>	<b>(510,917)</b>	<b>0</b>	<b>560,238</b>	<b>492,685</b>

## Directors' Report (continued)

### REMUNERATION REPORT - AUDITED (continued)

Share based payment expenses for the financial years :-

	2020 \$	2019 \$	Fair Value \$
200,000 share rights issued at fair value of 62.27c to Shaun Ankers 03/11/2017 vesting 31/08/2018 to 31/08/2020	0	26,633	124,545
91,203 share rights issued at fair value of 62.02c to Ottmar Weiss 03/11/2017 vesting 31/10/2018	0	19,166	56,564
50,668 share rights issued at fair value of 62.02c to Ian Ferrier 03/11/2017 vesting 31/10/2018	0	10,648	31,424
50,668 share rights issued at fair value of 62.02c to Andrew Bonwick 03/11/2017 vesting 31/10/2018	0	10,648	31,424
60,802 share rights issued at fair value of 62.02c to Vaughan Busby 03/11/2017 vesting 31/10/2018	0	12,778	37,709
80,923 share rights issued at fair value of 62.27c to Richard Standen 03/11/2017 vesting 31/08/2018 to 31/08/2020	0	10,776	50,393
71,622 share rights issued at fair value of 62.27c to Dan Ayers 03/11/2017 vesting 31/08/2018 to 31/08/2020	0	9,538	44,601
237,309 share rights issued at fair value of 62.27c to Senior Managers 03/11/2017 vesting 31/08/2018 to 31/08/2020	0	31,602	147,778
200,000 share rights issued at fair value of 96.55c to Shaun Ankers 29/10/2018 vesting 31/08/2019 to 31/08/2021	115,087	78,013	193,100
47,447 share rights issued at fair value of 96.04c to Ottmar Weiss 29/10/2018 vesting 31/10/2018	15,356	30,212	45,568
23,723 share rights issued at fair value of 96.04c to Ian Ferrier 29/10/2018 vesting 31/10/2018	7,678	15,106	22,784
23,723 share rights issued at fair value of 96.04c to Andrew Bonwick 29/10/2018 vesting 31/10/2018	7,678	15,106	22,784
23,723 share rights issued at fair value of 96.04c to Vaughan Busby 29/11/2018 vesting 31/10/2018	7,678	15,106	22,784
42,703 share rights issued at fair value of 103.57c to Richard Standen 29/10/2018 vesting 31/08/2019 to 31/08/2021	24,572	16,657	41,229
42,703 share rights issued at fair value of 103.57c to Dan Ayers 29/10/2018 vesting 31/08/2019 to 31/08/2021	24,572	16,657	41,229
106,895 share rights issued at fair value of 103.57c to Senior Managers 29/10/2018 vesting 31/10/2019 to 31/08/2021	61,511	41,696	103,207
26,520 Exempt employee shares @ 98c issued 31/10/2018	0	25,990	25,990
13,600 Exempt employee shares @ \$2.50 issued 01/11/2019	34,000	0	34,000
25,000 shares @1.80 to Richard Standen	45,000	0	45,000
13,200 Exempt employee shares @ \$3.47 issued 11/02/2020	45,804	0	45,804
200,000 share rights issued at fair value of \$2.31 to Shaun Ankers 01/11/2019 vesting 31/08/2020 to 31/08/2022	163,521	0	462,081
14,865 share rights issued at fair value of \$2.31 to Ottmar Weiss 01/11/2019 vesting 31/10/2020	22,798	0	34,338
13,514 share rights issued at fair value of \$2.31 to Ian Ferrier 01/11/2019 vesting 31/10/2020	20,726	0	31,217
27,027 share rights issued at fair value of \$2.31 to Andrew Bonwick 01/11/2019 vesting 31/10/2020	41,451	0	62,432
16,216 share rights issued at fair value of \$2.31 to Vaughan Busby 01/11/2019 vesting 31/10/2020	24,870	0	34,338
25,000 share rights issued at fair value of \$1.77 to Richard Standen 19/07/2019 vesting 30/06/2020	44,250	0	44,250
50,000 share rights issued at fair value of \$2.02 to Richard Standen 22/11/2019 vesting 31/08/2020 to 31/08/2022	40,062	0	101,015
31,926 share rights issued at fair value of \$2.02 to Dan Ayers 22/11/2019 vesting 31/08/2020 to 31/08/2022	25,582	0	64,500
31,528 share rights issued at fair value of \$2.02 to Simon Wheeler 22/11/2019 vesting 31/08/2020 to 31/08/2022	25,261	0	63,696
150,882 share rights issued at fair value of \$2.02 to Senior Managers 22/11/2019 vesting 31/08/2020 to 31/08/2022	120,327	0	303,374
<b>Total expense arising from EIP share based payments for the financial year</b>	<b>917,784</b>	<b>386,332</b>	

**REMUNERATION REPORT - AUDITED (continued)**

No other rights have been granted, vested or expired in the previous financial year. There have been no rights issued since the reporting date. The expiry date for each right granted occurs one month after the vesting date, with the rights granted having an exercise price of \$nil. Subsequent to 30 June 2020, the Board have approved the vesting of 221,817 share rights and the lapsing of 156,799 share rights for Shaun Ankers, Richard Standen, Dan Ayers, Simon Wheeler and senior managers effective 31 August 2020. For further information on share based payments refer Note 29 of the financial statements.

***Shares held by key management personnel***

The number of ordinary shares held by each key management personnel (or their related party) during the financial year is as follows :

For the year ended 30 June 2020	Balance as at 01/07/19	Granted as remuneration *	Vesting of share rights	Dividend Reinvest-ment Plan	Purchase Plan / Placement	On market purchases / (sales)	Balance as at 30/06/20
Andrew Bonwick - Chairman	503,140	0	23,723	8,159	0	0	<b>535,022</b>
Shaun Ankers - CEO	704,197	0	200,000	11,353	5,000	0	<b>920,550</b>
Ottmar Weiss - Director	1,222,462	0	47,447	19,823	400,000	0	<b>1,689,732</b>
Ian Ferrier - Director	6,942,526	0	23,723	112,579	400,000	0	<b>7,478,828</b>
Vaughan Busby - Director	4,005,592	0	23,723	64,954	10,000	0	<b>4,104,269</b>
Richard Standen CFO & Company Secretary	49,952	25,000	42,703	1,562	200,000	0	<b>319,217</b>
Dan Ayers - General Mgr Commercial	149,671	0	42,703	2,773	5,000	0	<b>200,147</b>
Simon Wheeler - CEO Europe	0	0	0	0	5,000	6,800	<b>11,800</b>
	<b>13,577,540</b>	<b>25,000</b>	<b>404,022</b>	<b>221,203</b>	<b>1,025,000</b>	<b>6,800</b>	<b>15,259,565</b>

\* Shares granted as remuneration were a performance bonus. The grant was not dependent on any specific performance metric and was discretionary based on the overall performance of the Group. These were approved by the Remuneration Committee and the Board. These shares were granted on 19 July 2019, with no vesting conditions attached.

***The Group's performance and shareholder wealth for each of the last five year***

Please refer to the table on the first page of this Directors' report.

***Other transactions with key management personnel***

There were no other transactions with key management personnel.

**End of audited remuneration report.**

This report of the Directors, incorporating the remuneration report is signed in accordance with a resolution of the Board of Directors pursuant to section 298 (2)(a) of the Corporations Act 2001.

**Andrew Bonwick**  
Chairman

**Shaun Ankers**  
Managing Director

08 September 2020

**DECLARATION OF INDEPENDENCE BY CLAYTON EVELEIGH TO THE DIRECTORS OF ENERGY ONE LIMITED**

As lead auditor of Energy One Limited for the year ended 30 June 2020, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
2. No contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Energy One Limited and the entities it controlled during the year.



Clayton Eveleigh  
Director

**BDO Audit Pty Ltd**

Sydney

8 September 2020



**Consolidated Financial Statements  
for the year ended 30 June 2020**

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## Consolidated Statement of Profit or Loss and Other Comprehensive Income

for the year ended 30 June 2020

	Note	Consolidated Group	
		2020 \$ '000	2019 \$ '000
<b>Revenue and other income</b>			
Revenue	2	20,304	15,671
Other income	2	300	394
		<u>20,604</u>	<u>16,065</u>
<b>Expenses</b>			
Direct project costs		(1,452)	(794)
Employee benefits expense	3	(10,820)	(8,232)
Depreciation and amortisation expense	3	(2,363)	(1,270)
Rental expenses on short term leases (2019 : operating leases)		(59)	(477)
Consulting expenses		(782)	(754)
IT and communication		(493)	(420)
Insurance		(228)	(118)
Accounting fees		(225)	(153)
Finance costs	3	(247)	(169)
Acquisition and related expenses		(387)	(381)
Travel and accommodation		(271)	(334)
Overseas marketing and research costs		0	(88)
Other expenses		(937)	(812)
		<u>(18,264)</u>	<u>(14,002)</u>
<b>Profit before income tax</b>		<u>2,340</u>	<u>2,063</u>
Income tax expense	4	(693)	(754)
<b>Profit after income tax attributable to owners of the parent entity</b>		<u>1,647</u>	<u>1,309</u>
Basic earnings per share (cents per share)	7	7.39	6.22
Diluted earnings per share (cents per share)	7	7.30	6.15
<b>Other comprehensive income :-</b>			
Profit after income tax attributable to owners		1,647	1,309
Exchange differences arising from translation of foreign entities		(251)	187
<b>Total comprehensive income</b>		<u>1,396</u>	<u>1,496</u>
<b>Total comprehensive income attributable to owners of the parent entity</b>		<u>1,396</u>	<u>1,496</u>

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

## Consolidated Statement of Financial Position

as at 30 June 2020

		Consolidated Group	
		2020	2019
	Note	\$ '000	\$ '000
<b>Current Assets</b>			
Cash and cash equivalents	8	3,534	2,216
Trade and other receivables	9	3,944	4,600
Other assets	10	672	473
<b>Total Current Assets</b>		<b>8,150</b>	<b>7,289</b>
<b>Non-Current Assets</b>			
Trade and other receivables	9	0	99
Property, plant and equipment	11	351	643
Lease right-of-use asset	12	1,358	0
Software development	13	14,109	9,964
Intangible assets	14	8,597	5,223
Other assets	10	39	148
Deferred tax asset	4	0	595
<b>Total Non Current Assets</b>		<b>24,454</b>	<b>16,672</b>
<b>Total Assets</b>		<b>32,604</b>	<b>23,961</b>
<b>Current Liabilities</b>			
Trade and other payables	15	4,068	2,485
Lease liabilities	12	409	0
Borrowings	16	0	1,354
Income tax payable		748	717
Contract liabilities	18	3,317	2,916
Employee provisions	17	928	662
<b>Total Current Liabilities</b>		<b>9,470</b>	<b>8,134</b>
<b>Non-Current Liabilities</b>			
Trade and other payables	15	778	95
Lease liabilities	12	1,056	0
Borrowings	16	644	5,132
Contract liabilities	18	1,017	1,557
Deferred tax liability	4	791	0
Employee provisions	17	156	66
<b>Total Non Current Liabilities</b>		<b>4,442</b>	<b>6,850</b>
<b>Total Liabilities</b>		<b>13,912</b>	<b>14,984</b>
<b>Net Assets</b>		<b>18,692</b>	<b>8,977</b>
<b>Equity</b>			
Contributed equity	19	18,689	10,024
Reserves	20	465	416
Accumulated losses		(462)	(1,463)
<b>Total Equity</b>		<b>18,692</b>	<b>8,977</b>

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

## Consolidated Statement of Changes in Equity

for the year ended 30 June 2020

### Consolidated Group

		Contributed Equity \$ '000	Share Based Payments Reserve \$ '000	Foreign Exchange Reserve \$ '000	Accumulated Losses \$ '000	Total \$ '000
	Note					
<b>Balance as at 1 July 2018</b>		9,243	211	0	(2,360)	7,094
Total comprehensive profit for the year		0	0	187	1,309	1,496
Transactions with owners in their capacity as owners:						
Share issues	19	412	0	0	0	412
Dividends paid	6	0	0	0	(412)	(412)
Other transactions:						
Share based payments	19	26	361	0	0	387
Shares vesting	19	343	(343)	0	0	0
<b>Balance at 30 June 2019</b>		<b>10,024</b>	<b>229</b>	<b>187</b>	<b>(1,463)</b>	<b>8,977</b>
Total comprehensive profit for the year		0	0	(251)	1,647	1,396
Transactions with owners in their capacity as owners:						
Share issues	19	8,047	0	0	0	8,047
Dividends paid	6	0	0	0	(646)	(646)
Other transactions:						
Share based payments	19	125	793	0	0	918
Shares vesting	19	493	(493)	0	0	0
<b>Balance at 30 June 2020</b>		<b>18,689</b>	<b>529</b>	<b>(64)</b>	<b>(462)</b>	<b>18,692</b>

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

## Consolidated Statement of Cash Flows

for the year ended 30 June 2020

	Note	Consolidated Group	
		2020 \$ '000	2019 \$ '000
<b>Cash Flows from Operating Activities</b>			
Receipts from customers		21,054	15,864
Receipts of research and development incentives		505	693
Payments to suppliers and employees		(15,429)	(12,167)
Finance costs		(247)	(169)
Interest received		17	30
Income tax paid		(840)	(811)
Net cash provided by operating activities	8	5,060	3,440
<b>Cash Flows from Investing Activities</b>			
Purchase of property, plant and equipment	11	(142)	(169)
Purchase of intangible assets - patents and trademarks	14	(3)	(8)
Payment for software development costs	13	(2,691)	(1,606)
Payment for acquisition of business (net of cash)	22	(1,173)	(925)
Loan to Contigo Software Limited on acquisition	22	0	(6,097)
Net cash used in investing activities		(4,009)	(8,805)
<b>Cash Flows from Financing Activities</b>			
Proceeds from borrowings		0	7,280
Repayment of borrowings		(5,841)	(795)
Receipts from share issues		6,913	481
Payment of dividend		(171)	(112)
Lease payments		(634)	0
Net cash provided by financing activities		267	6,854
<b>Net increase in cash held</b>		1,318	1,489
Cash and cash equivalents at beginning of financial year		2,216	727
Cash and cash equivalents at end of financial year	8	3,534	2,216

*The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.*

## Notes to the Financial Statements

for the year ended 30 June 2020

### Note 1 Summary of Significant Accounting Policies

The following is a summary of the material accounting policies adopted by the consolidated entity ("the Group") in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

#### (a) Basis of preparation

Energy One Limited is a for-profit entity for the purpose of preparing the financial statements.

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board (AASB) and the Corporations Act 2001.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in a financial report containing relevant and reliable information about transactions, events and conditions. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with all International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB). Material accounting policies adopted in the preparation of this financial report are presented below.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in the relevant note.

These financial statements have been prepared on an accruals basis under the historical cost convention unless otherwise stated and are presented in Australian dollars, which is Energy One Limited's functional and presentation currency.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 08 September 2020. The directors have the power to amend and reissue the financial statements.

#### (b) Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of the subsidiary of Energy One Limited ("company" or "parent entity") as at 30 June 2020 and the results of the subsidiaries for the year then ended. Energy One Limited and its subsidiaries together are referred to in this financial report as the Group or the consolidated entity.

A subsidiary is an entity over which the parent entity has control. The parent entity controls an entity when the consolidated entity is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. A subsidiary is fully consolidated from the date on which control is transferred to the parent entity. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Accounting policies of the subsidiary are consistent with policies adopted by the Group.

#### (c) Impairment of assets

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment annually whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount and recognised in the year incurred in the profit and loss. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash generating units).

#### (d) Goods and services tax (GST)

Revenues, expenses, liabilities and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the balance sheet are shown inclusive of GST.

#### (e) Comparative figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

## Notes to the Financial Statements

for the year ended 30 June 2020

### Note 1 Summary of Significant Accounting Policies (continued)

#### (f) New and amended standards adopted by the Group

The Group has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the AASB that are relevant to its operations and effective for the current financial reporting period. There has been no material impact of these changes on the Groups' accounting policies, other than what has been explained in the notes provided below.

##### **AASB 16 Leases**

This standard is applicable to annual reporting periods beginning on or after 1 January 2019. The standard replaces AASB 117 'Leases' and for lessees will eliminate the classifications of operating leases and finance leases. Subject to exceptions, a 'right-of-use' asset will be capitalised in the statement of financial position, measured at the present value of the unavoidable future lease payments to be made over the lease term. The exceptions relate to short-term leases of 12 months or less and leases of low-value assets (such as personal computers and small office furniture) where an accounting policy choice exists whereby either a 'right-of-use' asset is recognised or lease payments are expensed to profit or loss as incurred. A liability corresponding to the capitalised lease will also be recognised, adjusted for lease prepayments, lease incentives received, initial direct costs incurred and an estimate of any future restoration, removal or dismantling costs. Straight-line operating lease expense recognition will be replaced with a depreciation charge for the leased asset (included in operating costs) and an interest expense on the recognised lease liability (included in finance costs). In the earlier periods of the lease, the expenses associated with the lease under AASB 16 will be higher when compared to lease expenses under AASB 117. However EBITDA (Earnings Before Interest, Tax, Depreciation and Amortisation) results will be improved as the operating expense is replaced by interest expense and depreciation in profit or loss under AASB 16. For classification within the statement of cash flows, the lease payments will be separated into both a principal (financing activities) and interest (either operating or financing activities) component.

The Group has adopted this standard from 1 July 2019 using the modified retrospective approach with no adjustment to the opening balance of retained earnings for the current period. Prior periods have not been restated.

The impact of adoption on opening retained profits as at 1 July 2019 was as follows:

	\$'000
Operating lease commitments as at 30 June 2019 (AASB 117)	3,653
Differences in assumptions of lease term on adoption	(1,411)
Operating lease commitments discount based on the weighted average incremental borrowing rate (AASB 16)	(70)
Previous lease incentive recognised against right of use asset on adoption (AASB 16)	(205)
Right-of-use assets (AASB 16)	1,967
Lease liabilities - current (AASB 16)	(612)
Lease liabilities - non-current (AASB 16)	(1,447)
Foreign Exchange	92
Reduction in opening retained profits as at 1 July 2019	0

#### (g) New accounting standards for application in future periods

There are no other standards that are not yet effective and that are expected to have a material impact on the Group in the current or future reporting periods and on foreseeable future transactions.

#### (h) Rounding of amounts

Amounts in this report have been rounded off, in accordance with Corporations Instrument 2016/191, issued by the Australian Securities and Investments Commission relating to 'rounding-off', to the nearest thousand dollars, unless otherwise stated.

#### (i) Coronavirus (COVID-19) pandemic

Judgement has been exercised in considering the impacts that the Coronavirus (COVID-19) pandemic has had, or may have, on the consolidated entity based on known information. This consideration extends to the nature of the products and services offered, customers, supply chain, staffing and geographic regions in which the consolidated entity operates. The Directors consider that there does not currently appear to be either any significant impact upon the financial statements or any significant uncertainties with respect to events or conditions which may impact the consolidated entity unfavourably as at the reporting date or subsequently as a result of the Coronavirus (COVID-19) pandemic.



## Notes to the Financial Statements

for the year ended 30 June 2020

	Consolidated Group	
	2020	2019
	\$ '000	\$ '000
<b>Note 2 Revenue and Other Income</b>		
<i>Revenue from contracts with customers</i>		
Licences, support and SaaS related services	15,717	11,157
Project implementation	4,587	4,514
	<b>20,304</b>	<b>15,671</b>
<i>Other income</i>		
Interest income	17	32
Government grants	50	0
Research and development incentive income	233	362
	<b>300</b>	<b>394</b>
<b>Total Revenue and other income</b>	<b>20,604</b>	<b>16,065</b>

### *Revenue from contracts with customers*

Revenue is recognised at an amount that reflects the consideration to which the consolidated entity is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the consolidated entity: identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

Variable consideration within the transaction price, if any, reflects concessions provided to the customer such as discounts, rebates and refunds, any potential bonuses receivable from the customer and any other contingent events. Such estimates are determined using either the 'expected value' or 'most likely amount' method. The measurement of variable consideration is subject to a constraining principle whereby revenue will only be recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. The measurement constraint continues until the uncertainty associated with the variable consideration is subsequently resolved. Amounts received that are subject to the constraining principle are recognised as a refund liability.

The license fee portion of contract revenue is recognised over time as the performance obligation is satisfied over the term of the license agreement with the customer, unless the customer purchases software that is deemed "plug and play", where revenue is recognised at a point in time on go-live of the system implementation. Support and maintenance services revenue is recognised over time as the performance obligation is satisfied over the term of the support agreement.

Project implementation revenue is recognised over time with reference to the stage of completion of the transaction at reporting date and where the outcome of the contract can be estimated reliably. Stage of completion is determined with reference to the services performed to date as a percentage of total anticipated services to be performed for the implementation. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent that related expenditure is recoverable. The timing of invoicing may differ to revenue recognition due to contract milestones included within the contract with a customer, which will result in the recognition of contract liabilities or contract assets.

All revenue is stated net of the amount of goods and services tax.

### *Key Estimates & Judgements*

#### *Revenue Recognition*

There are three key judgements associated with License and related services revenue as noted above. These are as follows:

- Revenue is recognised at the fair value of consideration received or receivable and there is judgement associated with the expected revenue to be received over the life of a contract with a customer. Management recognise revenue based on the best estimate of expected revenue to be received for individual contracts.
- Project and implementation services provided to customers is determined with reference to the stage of completion of the transaction at reporting date. There is judgement associated with determining the stage of completion of each individual contract with a customer as noted in the accounting policy above.
- License fee revenue is recognised at a point in time or over time depending on the nature of the obligations and activities required under the contract. This determination involves judgement by management in determining the most appropriate revenue recognition model in line with relevant accounting standards.

## Notes to the Financial Statements

for the year ended 30 June 2020

### Note 2 Revenue and Other Income (continued)

#### Interest Income

Revenue is recognised as interest accrues using the effective interest method. The effective interest method uses the effective interest rate which is the rate that exactly discounts the estimated future cash receipts over the expected life of the financial asset.

#### Research and development incentive income

The Group, through the continued development of its Software has invested funds in research and development. Under the Research and Development Tax Incentive scheme jointly administered by AusIndustry and the ATO, the Australian Government offers rebates for funds invested in research and development.

For the year ended 30 June 2020, the Group had revenue greater than \$20 million and received tax incentives associated with the R&D activities which are non-refundable. In line with AASB 120 and applicable tax legislation and ATO guidance, any incentive received is immediately recognised as a credit within the income tax expense. There are no substantial changes to the nature of the R&D activities and claim submitted, with the impact on the financial statements being a presentational change only.

For government grants received in relation to R&D in the periods prior to and including 30 June 2019 where Group revenue was less than \$20 million, those grants that relate to development costs capitalised are deferred and recognised in the profit and loss as research and development incentive income over the period necessary to match them with the costs that they are intended to compensate in line with AASB120.

#### Key Estimates - Research and development tax incentive

The Group recognises R&D Tax Incentive based on guidelines from the ATO and AusIndustry. Eligible overheads are apportioned to Research and Development based on R&D hours as a percentage of total hours.

		Consolidated Group	
		2020	2019
Note		\$ '000	\$ '000
<b>Note 3 Expenses</b>			
The consolidated income statement includes the following specific expenses :			
Depreciation and amortisation			
Depreciation - Plant and equipment	11	149	105
Amortisation - Leasehold improvements	11	88	145
Amortisation - Lease right-of-use	12	609	0
Amortisation - Software development	13	1,446	997
Amortisation - Patents	14	16	8
Loss on disposal - Plant and equipment	11	4	0
Foreign currency translation		51	15
		<b>2,363</b>	<b>1,270</b>
Finance costs		<b>247</b>	<b>169</b>
Employee benefit expenses			
Superannuation expense		943	660
Employee share plan benefits	29	918	386
Other employee benefits	(a)	8,959	7,186
		<b>10,820</b>	<b>8,232</b>

(a) Of the total employee benefit expense, \$441,000 represent expenditures related to research and development activities (2019: \$636,000).

### Note 4 Income Tax Expenses

(a) The components of tax expense comprise:

Current tax	929	756
Prior year tax adjustment	168	(28)
Foreign exchange variance	(4)	0
Deferred tax	(114)	26
R&D claim offset	(286)	0
Income tax expense	<b>693</b>	<b>754</b>

## Notes to the Financial Statements

for the year ended 30 June 2020

		Consolidated Group	
		2020	2019
		\$ '000	\$ '000
Note			
<b>Note 4</b>	<b>Income Tax Expenses (continued)</b>		
(b)	The prima facie tax on profit from ordinary activities before income tax is reconciled to the income tax as follows:		
	Prima facie tax payable on profit from ordinary activities before income tax at 27.5% (2019: 27.5%)	643	567
	Tax effect of differing overseas tax rates	(45)	(37)
	Add tax effect of non-deductible expenses (excluding R&D)	111	62
	Income tax expense before effect of R&D Incentive and prior period tax adjustments :-	709	592
	Tax effect of R&D incentive	150	190
	R&D claim offset	(286)	0
	Prior year tax adjustment	120	(28)
	Income tax attributable to entity	693	754
(c)	Net deferred tax :-		
	Opening balance	595	597
	Charged to income	120	(26)
	Deferred tax liability on acquisition of software of eZ-nergy	(572)	34
	Deferred tax liability on acquired software on acquisition of Contigo Software Limited	(767)	0
	Foreign exchange variance	26	1
	Prior year tax adjustment	(193)	(11)
	Closing balance net deferred tax asset / (liability)	(791)	595
(d)	Deferred tax comprises temporary differences attributable to:		
	Amounts recognised in profit or loss:		
	Contract assets	(229)	(364)
	Prepayments	(1)	(26)
	Software	(348)	0
	Contract liabilities	506	572
	Accrued expenses	92	103
	Provision & Employee Benefits	378	184
	Other temporary differences	39	126
	Deferred tax liability on acquired software on acquisition of Contigo Software Limited	(672)	0
	Deferred tax liability on acquisition of software of eZ-nergy	(556)	0
		(791)	595
(e)	The Group has no unrecognised accrued tax losses at 30 June 2020 (2019: \$0).		

The income tax expense for the year is the tax payable on the current period's taxable income based on the national income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements, and to unused tax losses.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to apply when the assets are recovered or liabilities are settled, based on those tax rates which are enacted or substantially enacted. The relevant tax rates are applied to the cumulative amounts of deductible and taxable temporary differences to measure the deferred tax asset or liability. An exception is made for certain temporary differences arising from the initial recognition of an asset or a liability. No deferred tax asset or liability is recognised in relation to these temporary differences if they arose in a transaction, other than a business combination, that at the time of the transaction did not affect either accounting profit or taxable profit or loss.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Current and deferred tax balances attributable to amounts recognised directly in other comprehensive income or directly in equity are also recognised directly in other comprehensive income or directly in equity, respectively.

For the year 1 July 2019 to 30 June 2020, the Company received tax incentives associated with the R&D activities which are now non-refundable tax offsets. In line with applicable tax legislation and ATO guidance, any incentive received is immediately recognised as a credit within the income tax expense. There are no substantial changes to the nature of the R&D activities and claim submitted, with the impact on the financial statements being a presentational change only.

## Notes to the Financial Statements

for the year ended 30 June 2020

### Consolidated Group

#### Note 5 Auditor Remuneration

The Auditor of Energy One Limited is BDO\* and related network firms.

Fees paid or payable for audit services :-

Auditing and reviewing the financial reports -

Group

Subsidiaries

Fees paid or payable for other services -

Taxation services

Other services

	2020	2019
	\$	\$
Group	96,265	90,307
Subsidiaries	86,520	14,960
Fees paid or payable for other services -		
Taxation services	33,893	33,445
Other services	8,151	11,389
	<b>224,829</b>	<b>150,100</b>

\* The BDO entity performing the audit of the Group transitioned from BDO East Coast Partnership to BDO Audit Pty Limited on 1 August 2020. The disclosures include amounts received or due and receivable by BDO East Coast Partnership, BDO Audit Pty Limited and their respective related entities.

#### Note 6 Dividends

Dividends declared and paid during the year

Franking account balance

	2020	2019
	\$ '000	\$ '000
Dividends declared and paid during the year	646	413
Franking account balance	0	0

On 17 August 2018 the Company declared an unfranked dividend of 2 cents per ordinary share (\$412,000). The record date for the dividend is 28 September 2018. The payment date for the dividend was 26 October 2018.

On 22 August 2019 the Company declared an unfranked dividend of 3 cents per ordinary share (\$646,000). The record date for the dividend will be 4 October 2019. The payment date for the dividend is 21 October 2019.

On 25 August 2020 the Company declared an unfranked dividend of 3.5 cents per ordinary share (\$890,000). The record date for the dividend will be 30 September 2020. The payment date for the dividend is 16 October 2020.

#### Note 7 Earnings per Share

Basic EPS (cents per share)

Diluted EPS (cents per share)

Basic EPS (cents per share)	7.39	6.22
Diluted EPS (cents per share)	7.30	6.15

Earnings used in calculating basic and diluted earnings per share (\$ '000)

Earnings used in calculating basic and diluted earnings per share (\$ '000)	1,647	1,309
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Weighted average number of ordinary shares used in calculating basic earnings per share ('000)

Weighted average number of share rights outstanding ('000)

Weighted average number of ordinary shares used in calculating diluted earnings per share ('000)

Weighted average number of ordinary shares used in calculating basic earnings per share ('000)	22,288	21,039
Weighted average number of share rights outstanding ('000)	267	236
Weighted average number of ordinary shares used in calculating diluted earnings per share ('000)	22,555	21,275

Basic earnings per share is determined by dividing the operating profit after income tax attributable to members of the Company by the weighted average number of ordinary shares (in '000's) outstanding during the financial year.

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share by taking into account any change in earnings per share that may arise from the conversion of share rights (in '000's) on issue at financial year end, into shares in the Company at a subsequent date.

There were 560,238 (2019: 510,916) share rights outstanding at 30 June 2020. 156,799 share rights issued subject to performance provisions being met and are not included in the calculation of diluted earnings per share as the conditions are not yet or unlikely to be satisfied at year end (refer Note 29).

#### Note 8 Cash and Cash Equivalents

Cash and cash equivalents at end of financial year

Cash and cash equivalents at end of financial year	3,534	2,216
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The effective interest rate on short-term bank deposits for the year was 1.72% (2019: 1.98%); these deposits have an average maturity of 130 days. The weighted average effective interest on cash and cash equivalents was 0.38% (2019: 0.47%).

The Parent Company has a bank overdraft of \$250,000 of which Nil was drawn (2019: \$Nil) currently at an interest rate of 4.59% (2019: 7.19%). The Group's exposure to interest rate risk is discussed in Note 27.

## Notes to the Financial Statements

for the year ended 30 June 2020

### Consolidated Group

2020	2019
\$ '000	\$ '000

#### Note 8 Cash and Cash Equivalents (continued)

##### Reconciliation of Cash Flow from Operations with Profit from Ordinary Activities after Income Tax

Profit from ordinary activities after income tax	1,647	1,309
Non-cash flows in profit from ordinary activities :		
Depreciation and amortisation	2,363	1,269
Foreign exchange	182	12
Changes in assets and liabilities, net of the effects of purchase of subsidiaries :		
(Increase)/decrease in trade and other receivables	1,688	193
(Increase)/decrease in other assets	4	(193)
(Increase)/decrease in deferred tax assets	73	36
Increase/(decrease) in trade and other payables	(582)	302
Increase/(decrease) in income tax payable	32	(93)
Increase/(decrease) in provisions	356	244
Increase/(decrease) in contract liabilities	(703)	361
Net cash provided by operating activities	5,060	3,440

Cash and cash equivalents include cash on hand, deposits held at call with financial institutions and other short-term, highly liquid investments that are readily convertible to known amounts of cash with a maturity of three months or less and are subject to an insignificant risk of changes in value.

Cash flows are included in the Consolidated Statement of Cash Flows on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from or payable to the Australian Taxation Office, are classified as operating cash flows.

##### Cash and Cash Equivalents & Restrictive Cash Deposits

Cash and cash equivalents at end of financial year	3,534	2,216
Restrictive cash deposits held for bank guarantees :		
Other current assets	10 148	0
Other non-current assets	10 0	148
	3,682	2,364

#### Note 9 Trade and Other Receivables

Current	Trade receivables	2,244	1,949
	Expected credit loss	(66)	(32)
	Contract assets	(a) 1,480	2,229
	R&D tax incentive	(b) 286	454
		3,944	4,600
Non current	Contract assets	(a) 0	99

##### (a) Contract assets

Amounts recorded as contract assets represents revenues recorded on projects not invoiced to customers at year end. These amounts have met the revenue recognition criteria but have not reached the payment milestones contracted with customers. Revenue is determined with reference to the stage of completion of the transaction at reporting date and where outcome of the contract can be estimated reliably. Stage of completion is determined with reference to the services performed to date as a percentage of total anticipated services to be performed.

Reconciliation of the written down values at the beginning and end of the current and previous financial year are set out below:

Opening balance	2,328	866
Amounts invoiced and accrued during the year	(848)	1,462
Closing balance	1,480	2,328

##### (b) R&D Tax Incentive

The Company is expecting a research and development tax incentive of \$286,000 (refer Note 4) from the Australian Tax Office in FY21 for the R&D costs incurred in the 2020 financial year (2019: \$454,000). There are no unfulfilled conditions or other contingencies attaching to the tax incentive.

## Notes to the Financial Statements

for the year ended 30 June 2020

### Note 9 Trade and Other Receivables (continued)

#### Fair Value, Credit and Interest Rate Risk

Due to the short-term nature of these receivables, their carrying amount is assumed to approximate their fair value. The maximum exposure to credit risk at the reporting date is the carrying amount of each class of receivables mentioned above. Refer to Note 27 for more information on the risk management policy of the Group and the credit quality of the entity's trade receivables, along with interest risk.

The following table details the Group's trade and other receivables exposed to credit risk (prior to collateral and other credit enhancements) with ageing analysis and impairment provided for thereon. Amounts are considered as 'past due' when the debt has not been settled, with the terms and conditions agreed between the Group and the customer or counter party to the transaction. Receivables that are past due are assessed for impairment by ascertaining solvency of the debtors and are provided for where there are specific circumstances indicating that the debt may not be fully repaid to the Group.

The balances of receivables that remain within initial trade terms (as detailed in the table) are considered to be of high credit quality.

	Gross amount	Within initial trade terms	31-60 days	61-90 days	>90 days
<b>2020</b>	in \$'000				
Trade receivables and contract assets	3,724	3,448	154	19	103
Other receivables	286	286	0	0	0
Past due and impaired	(66)	0	0	0	(66)
<b>Total</b>	<b>3,944</b>	<b>3,734</b>	<b>154</b>	<b>19</b>	<b>37</b>
<b>2019</b>	in \$'000				
Trade receivables and contract assets	4,277	4,170	29	17	61
Other receivables	454	454	0	0	0
Past due and impaired	(32)	0	0	0	(32)
<b>Total</b>	<b>4,699</b>	<b>4,624</b>	<b>29</b>	<b>17</b>	<b>29</b>

Trade receivables and contract assets are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Trade receivables are generally due for settlement within 30 days. The Group has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue. The expected credit loss determined using the simplified approach is \$66,000 (2019: \$32,000). Contract assets are included within initial trade terms as they are subject to 30 days credit terms on billing.

		Consolidated Group	
		2020	2019
		\$ '000	\$ '000
<b>Note 10</b>	<b>Other Assets</b>		
<i>Current</i>	Prepayments and deposits	524	473
	Restricted term deposit	148	0
		<b>672</b>	<b>473</b>
<i>Non current</i>	Prepayments and deposits	39	0
	Restricted term deposit	0	148
		<b>39</b>	<b>148</b>
<b>Note 11</b>	<b>Property, Plant and Equipment</b>		
	Plant and equipment at cost	958	939
	Accumulated depreciation	(618)	(564)
		<b>340</b>	<b>375</b>
	Leasehold improvements at cost	469	936
	Accumulated depreciation	(458)	(668)
		<b>11</b>	<b>268</b>
	<b>Total property, plant and equipment</b>	<b>351</b>	<b>643</b>

## Notes to the Financial Statements

for the year ended 30 June 2020

		Consolidated Group	
		2020	2019
Note		\$ '000	\$ '000
<b>Note 11 Property, Plant and Equipment (continued)</b>			
<i>Movements in Carrying Amounts</i>			
		643	524
		142	169
		7	200
	3	(4)	0
		(196)	0
	3	(237)	(250)
		(4)	0
		<b>351</b>	<b>643</b>

Property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs, maintenance and minor renewals are charged to the profit and loss statement during the financial period in which they are incurred.

The carrying amount of property, plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the assets employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Depreciation of plant and equipment is calculated using the straight line method to allocate their cost, net of their residual values, over their estimated useful lives at 20%-40% pa.

The cost of improvements to or on leasehold properties are amortised over the unexpired period of the lease or the estimated useful life of the improvement to the Group, whichever is shorter. The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. Gains and losses are included in the consolidated statement of profit or loss and other comprehensive income.

## Note 12 Lease right-of-use-asset and Lease liabilities

### Non-Current Asset

Lease right-of-use cost	1,967	0
Lease right-of-use accumulated amortisation	(609)	0
	<b>1,358</b>	<b>0</b>
Lease liabilities - current	409	0
Lease liabilities - non current	<b>1,056</b>	<b>0</b>

### Leased assets

Leased assets, for office tenancies, are capitalised at the commencement date of the lease and comprise of the initial lease liability amount, initial direct costs incurred when entering into the lease less any incentives received. The Group have adopted AASB 16 from 1 July 2019, and have adjusted the right-of-use assets at the date of initial application by the amount of any previous lease incentives recognised immediately before the date of application. The Group amortises the right-of-use assets on a straight line basis from the adoption date to end of the lease or break term where it is reasonably certain the break will be exercised. The Group also assess the right-of-use assets for impairment annually.

### Lease liabilities

The lease liability is measured at the present value of the fixed and variable lease payments net of cash lease incentives that are not paid at the balance date. Lease payments are apportioned between the finance charges and reduction of the lease liability using the incremental borrowing rate implicit in the lease to achieve a constant rate of interest on the remaining balance of the liability. Lease payments for building exclude variable service fees for cleaning and other costs.

### Key estimates and judgements

On transition to AASB 16 the weighted average incremental borrowing rate applied to lease liabilities recognised under AASB 16 is 3.17%.

## Notes to the Financial Statements

for the year ended 30 June 2020

### Note 13 Software Development

Software development - at cost  
Accumulated amortisation

Consolidated Group	
2020	2019
\$ '000	\$ '000
19,094	13,555
(4,985)	(3,591)
14,109	9,964
9,964	5,065
2,691	1,606
2,992	4,290
(1,446)	(997)
(92)	0
14,109	9,964

#### Movements in Carrying Amounts

Opening balance  
Additions - at cost  
Additions - acquisition  
Amortisation  
Foreign exchange currency translation  
Balance as at 30 June 2020

Software development costs are a combination of acquired software and internally generated assets and are carried at cost less accumulated amortisation. These assets are amortised over a period of ten years. The amortisation has been recognised in the statement of profit or loss in the line item "Depreciation and amortisation expense". If an impairment indication arises, the recoverable amount is estimated and an impairment loss is recognised to the extent that the recoverable amount is lower than the carrying amount.

Costs incurred in the development of software are capitalised only when technical feasibility studies identify that the project will deliver future economic benefits and these benefits can be reliably measured. Development costs have a finite estimated life of ten years and are amortised on a systematic basis matched to the future economic benefits over the useful life of the project. Costs capitalised include external direct costs of materials and services, direct payroll and payroll related costs of employees time spent on the project.

Please refer to note 1(c) intangibles assets for impairment evaluation and key estimates and judgements in Note 14.

### Note 14 Intangible Assets

Patents and trademarks - at cost  
Patents and trademarks - Accumulated amortisation

55	52
(36)	(20)
19	32
8,578	5,191
8,597	5,223

Goodwill

Total Intangible Assets

#### Movements in Carrying Amounts

	Note	Patents \$ '000	Goodwill \$ '000	Total \$ '000
Balance as at 1 July 2018		32	3,443	3,475
Additions		8	1,748	1,756
Amortisation		(8)	0	(8)
Balance as at 30 June 2019		32	5,191	5,223
Additions		3	2,679	2,682
Amortisation		(16)	0	(16)
Adjustment to recognise deferred tax liability on acquired software on acquisition of Contigo Software Limited	22	0	767	767
Foreign exchange currency translation		0	(59)	(59)
Balance as at 30 June 2020		19	8,578	8,597

#### Patents and Trademarks

Patents and trademark costs are costs associated with the lodging, renewal, and maintenance of patents and trademarks and are carried at cost less accumulated amortisation. These intangible assets are amortised over a period of five years. The amortisation has been recognised in the statement of profit or loss in the line item "Depreciation and amortisation expense". If an impairment indication arises, the recoverable amount is estimated and an impairment loss is recognised to the extent that the recoverable amount is lower than the carrying amount.

#### Goodwill

Goodwill represents the excess of the cost of the acquisition of the net assets of an acquired company or business over the fair value of the Group's share of its net identifiable assets at the date of acquisition. Goodwill is included in intangible assets. Goodwill is not amortised. Instead, goodwill is tested for impairment annually or more frequently if events or changes in circumstances indicate that it might be impaired. Goodwill is carried at cost less accumulated impairment losses.



## Notes to the Financial Statements

for the year ended 30 June 2020

Consolidated Group	
2020	2019
\$ '000	\$ '000

### Note 14 Intangible Assets (continued)

#### *Key judgements and estimates - Recoverability of Intangible Assets and Software Development*

The Directors have assessed the useful life of software development to be ten years as the cash flow generated and the evolution of the software has a ten year cycle.

The Group assesses impairment at each reporting date by evaluating conditions specific to the Group that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined. Value-in-use calculations performed in assessing recoverable amounts incorporate a number of key estimates. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash generating units).

Goodwill is monitored by the Directors as part of the whole business, attributable to each cash-generating-unit. The recoverable amount of each cash-generating-unit is determined based on value-in-use calculations. Value-in-use is calculated based on the present value of cash flow plus a terminal value calculation. The cash flows are prepared applying a discount rate of 7.03% (2019: 8.48%) over a 5 year period and a terminal value calculated on the year five projected cash flow for a further five years at the same discount rate. A period of longer than 5 years has been used by management to better reflect the anticipated lifecycle of software development and future cash flows.

Management has based the value-in-use calculations on budgets. These budgets use estimated and actual sales to project revenue. Costs are calculated taking into account historical gross margins. Discount rates are pre-tax.

Management have performed an impairment test of software, patents and goodwill at the balance sheet date and have concluded that there is no impairment.

### Note 15 Trade and Other Payables

<i>Current</i>	Trade payables	402	367
	GST payable	616	407
	Sundry creditors and accruals	1,463	1,711
	Deferred acquisition consideration	1,587	0
		<b>4,068</b>	<b>2,485</b>
<i>Non Current</i>	Deferred acquisition consideration	778	95

Trade and other payables represent liabilities for goods and services provided to the Group prior to the end of the financial year which had not been settled at balance date. Trade and other payables are unsecured, non-interest bearing and are normally settled within 60 day terms. Due to the short term nature of these payables, their carrying value is assumed to approximate their fair value.

### Note 16 Borrowings

<i>Current</i>	Term Loan	0	1,354
<i>Non Current</i>	Term Loan	644	5,132

The Parent Company has a bank overdraft of \$250,000 of which \$Nil was drawn at balance date (2019: \$Nil). The overdraft facility attracts an interest rate at 4.59% (2019: 7.19%).

Commencing 28 November 2018, the Parent Company received a 3 year term loan in the amount of \$7,280,000 with a five year principal amortisation resulting in a monthly principal and interest repayment of \$139,000 currently at an interest rate of 2.72% (2019: 3.96%). The funds provided from this term loan were used in the acquisition and funding of Contigo Software Limited. The loan has been paid down to \$644,000 with \$4,448,000 available to redraw at the balance date.

Both the term loan and the bank overdraft are secured by a fixed and floating charge over the Parent Company and its subsidiaries, Creative Analytics Pty Limited and Contigo Software Limited, to Westpac Banking Corporation.

## Notes to the Financial Statements

for the year ended 30 June 2020

		Consolidated Group	
		2020	2019
		\$ '000	\$ '000
<b>Note 17</b>	<b>Employee Provisions</b>		
<i>Current</i>	Employee benefits	<b>928</b>	662
<i>Non-Current</i>	Employee benefits	<b>156</b>	66

Provision for annual leave is presented as current since the Group does not have an unconditional right to defer settlement. However based on historical experience, the Group does not expect all employees to take the full entitlement of leave within the next twelve months. The amount not expected to be taken with the next twelve months is \$156,000 (2019 : \$66,000).

### *Wages, salaries and annual leave*

Liabilities for wages, salaries, superannuation benefits and annual leave expected to be settled within 12 months of the reporting date are recognised in other payables and provision for employee benefits in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are expected to be settled, including appropriate on-costs. Employee benefits payable later than 12 months have been measured at the present value of the estimated future cash outflows to be made for those benefits.

### *Long service leave*

A provision for long service leave is taken up for a range of employees. In calculating the present value of future cash flows in respect of long service leave, the probability of long service leave being taken is based on historical data.

<b>Note 18</b>	<b>Contract Liabilities</b>		
<i>Current</i>	Licences, support and SaaS related services received in advance	<b>3,108</b>	2,705
	Unearned R&D tax incentive	<b>209</b>	211
		<b>3,317</b>	2,916
<i>Non-Current</i>	Licences, support and SaaS related services received in advance	<b>100</b>	410
	Unearned R&D tax incentive	<b>917</b>	1,147
		<b>1,017</b>	1,557
	<i>Unearned R&amp;D tax incentive</i>		
	Balance at beginning of the period	<b>1,358</b>	1,298
	Add R&D amount deferred to future periods	<b>0</b>	261
	Less recognised as grant income in the profit and loss	<b>(232)</b>	(201)
	Balance at the end of the period	<b>1,126</b>	1,358

### *Licences, support and SaaS related services received in advance*

The contract liability represents amounts billed in advance where the service obligation is yet to be performed. Project and implementation revenue is determined with reference to the stage of completion of the transaction at reporting date and where outcome of the contract can be estimated reliably. Stage of completion is determined with reference to the services performed to date as a percentage of total anticipated services to be performed.

### *Unearned R&D tax incentive*

Research and development tax incentive costs relating to capitalised development costs are deferred and recognised in the profit or loss over the period necessary to match them with the expenses that they are intended to compensate.

		2020	2019	2020	2019
		No '000	No '000	\$ '000	\$ '000
<b>Note 19</b>	<b>Contributed Equity</b>				
	Issued capital at beginning of the financial year	<b>21,309</b>	20,341	<b>10,024</b>	9,243
	Shares issued or under issue during the year :-				
	Shares issued to employees	<b>52</b>	27	<b>125</b>	26
	Shares issued as a result of the vesting of share rights	<b>511</b>	548	<b>493</b>	343
	Shares issued on dividend reinvestment plan	<b>349</b>	393	<b>642</b>	412
	Shares issued on acquisition of eZ-nergy SAS	<b>365</b>	0	<b>1,261</b>	0
	Shares issued on equity raising	<b>2,825</b>	0	<b>6,144</b>	0
	Balance at the end of the financial year	<b>25,411</b>	21,309	<b>18,689</b>	10,024

## Notes to the Financial Statements

for the year ended 30 June 2020

### Note 19 Contributed Equity (continued)

#### Ordinary Shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds. Incremental costs directly attributable to the issue of new shares or options, are shown in equity as a deduction, net of tax, from the proceeds. The amount of transaction costs accounted for as a deduction from equity is \$86,000 (2019 : \$0)

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the Company in proportion to the number of and amounts paid on the shares held. On a show of hands every holder of ordinary shares present at a meeting in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote.

Ordinary shares have no par value and the Company does not have a limited amount of authorised capital. There is no current on-market buy-back.

#### Capital Management

The Group's objectives when managing capital is to safeguard the ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. The Directors effectively manages the Group's capital by assessing the Group's financial risks and adjusting its capital structure in response to changes in these risks and in the market.

If the Company reacquires its own equity instruments, (e.g. as the result of a share buy-back), those instruments are deducted from equity and the associated shares are cancelled. No gain or loss is recognised in the profit or loss and the consideration paid including any directly attributable incremental costs (net of income taxes) is recognised directly in equity.

### Note 20 Reserves

#### Share based payment reserve

Balance at the beginning of the financial year  
Movement in share based payments

#### Foreign exchange reserve

Balance at the beginning of the financial year  
Retranslation of overseas subsidiaries to functional currency

Balance at the end of the financial year

Consolidated Group	
2020	2019
\$ '000	\$ '000
229	211
300	18
529	229
187	0
(251)	187
(64)	187
465	416

The Company measures the cost of equity-settled transactions by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using a volume weight average share price five days prior to the date the instruments were granted. The accounting estimates and assumptions relating to equity-settled payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact profit or loss and equity.

### Note 21 Contingent Assets and Liabilities

The Group had no contingent liabilities or contingent assets as at 30 June 2020 or in the comparative year.

### Note 22 Business combinations

Business combinations occur where control over another business is obtained and results in the consolidation of its assets and liabilities. All business combinations, including those involving entities under common control, are accounted for by applying the purchase method.

The purchase method requires an acquirer of the business to be identified and for the cost of the acquisition and fair values of identifiable assets, liabilities and contingent liabilities to be determined as at acquisition date, being the date that control is obtained. Cost is determined as the aggregate of fair values of assets given, equity issued and liabilities assumed in exchange for control together with costs directly attributable to the business combination. Any deferred consideration payable is discounted to present value using the entity's incremental borrowing rate.

Goodwill is recognised initially at the excess of cost over the acquirer's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognised. If the fair value of the acquirer's interest is greater than cost, the surplus is immediately recognised in Consolidated Statement of Comprehensive Profit and Loss and Other Comprehensive Income.

## Notes to the Financial Statements

for the year ended 30 June 2020

### Note 22 Business combinations (continued)

#### eZ-nergy SAS

On 3 June 2020, Energy One Limited purchased eZ-nergy SAS ("eZ-nergy") for a total outlay of €4,000,000 (\$6,980,000) to be paid in cash, equity and three instalments over an 18-month period. The initial payment comprised €2,000,000 cash and €500,000 in equity, with 3 further payments of €500,000 due 6, 12 and 18 months from acquisition date. This initial payment was mostly funded from an equity placement and Share Purchase Plan in 2020. The later cash instalments will be funded from the Group's working capital and existing reserves.

eZ-nergy SAS is a Software as a Service (SaaS) energy trading software and services business. Established in 2013 and based in Paris, eZ-nergy have 18 staff and 45 customers in 9 countries, operating in the 24/7 European energy market.

eZ-nergy SAS contributed a net profit after tax of €31,000 to the group for the period since acquisition.

	2020	
	EUR € '000	AUD \$ '000
Consideration paid and or payable :-		
Cash on acquisition	2,000	3,297
Cash instalments payable	1,500	2,472
Equity issued - 364,628 shares	500	824
	4,000	6,593
Adjusted for :-		
Net present value of instalments at 2.72%	(40)	(65)
Market value of shares issued at \$3.50	274	452
	<b>4,234</b>	<b>6,980</b>
Fair Value Recognised on acquisition :-		
Current Assets		
Cash and cash equivalents	1,289	2,124
Trade and other receivables	382	630
Other current assets	71	118
	1,742	2,872
Non Current Assets		
Property, plant and equipment	4	7
Software development - at valuation	1,826	3,010
Goodwill on acquisition	1,658	2,732
	3,488	5,749
Total Assets	5,230	8,621
Current Liabilities		
Trade and other payables	209	345
Income tax payable	25	42
Contract liabilities	342	564
Employee provisions	67	109
	643	1,060
Non Current Liabilities		
Employee provisions	6	9
Deferred tax liabilities	347	572
	353	581
Total Liabilities	996	1,641
Net Assets	<b>4,234</b>	<b>6,980</b>

The business combination accounting for eZ-nergy SAS is accounted for on a provisional basis due to the timing of the acquisition. The fair value of assets, liabilities and contingent liabilities are estimated by taking into consideration all available information at reporting date. Fair value adjustments at the completion of business combination accounting is retrospective, where applicable, to the period the combination occurred and may have any impact on the assets and liabilities, depreciation and amortisation reported.

#### Contigo Software Limited (UK)

On 30 November 2018, Energy One Limited acquired all the shares in Contigo Software Limited ("Contigo") for £715,000 (\$1,327,023) and financed Contigo with a £3,285,000 (\$6,096,882) shareholder loan. A further £413,131 refund of working capital in excess of £800,000 as at acquisition date was paid in February 2019.

**Notes to the Financial Statements**  
for the year ended 30 June 2020

**Note 22 Business combinations (continued)**

	2019	
	GBP £ '000	AUD \$ '000
Consideration paid and or payable :-		
Cash to acquire shares on acquisition	715	1,327
Cash payable to refund excess working capital	413	722
	<b>1,128</b>	<b>2,049</b>
Cash to finance Contigo on acquisition	3,285	6,097
Fair Value Recognised on acquisition :-		
Total Assets	5,934	10,828
Total Liabilities	4,806	8,779
<b>Net Assets</b>	<b>1,128</b>	<b>2,049</b>

During the period, the Group has revised its assessment of the tax base relating to fair valued software acquired on the acquisition of Contigo Software Limited. This has resulted in an increase to goodwill and deferred tax liabilities of the entity at the date of acquisition which has been reflected in the current year as an adjustment to the acquisition accounting

The purchase price allocation relating to the acquisition of Contigo Software Limited has been finalised and no other material changes are noted since the previous Annual Report.

**Note 23 Segment information**

The Group is managed primarily on the basis of product and service offerings and operates in one segment, being the Energy software industry, and in two geographical segments, being Australasia and Europe. The Directors assesses the performance of the operating segment based on the accounting profit and loss in that segment.

The Directors have determined the Group is organised into the two geographical segments for profit and loss purposes as represented in the following table :-

	<b>Australasia</b>	<b>UK/Europe</b>	Australasia	UK/Europe
	<b>2020</b>	<b>2020</b>	2019	2019
	<b>\$ '000</b>	<b>\$ '000</b>	\$ '000	\$ '000
Revenue and other income	<b>11,539</b>	<b>9,048</b>	11,172	4,860
Expenses	<b>(8,183)</b>	<b>(7,084)</b>	(8,282)	(3,900)
Earnings before interest, tax, depreciation and amortisation	<b>3,356</b>	<b>1,964</b>	2,890	960
Depreciation and amortisation	<b>(1,438)</b>	<b>(925)</b>	(927)	(342)
Earnings before interest, tax and acquisition costs	<b>1,918</b>	<b>1,039</b>	1,963	618
			<b>Consolidated Group</b>	
			<b>2020</b>	2019
			<b>\$ '000</b>	\$ '000
Reconciliation of unallocated amounts to profit after tax :-				
Earnings before interest, tax and acquisition costs			<b>2,957</b>	2,581
Interest paid			<b>(247)</b>	(169)
Interest received			<b>17</b>	32
Acquisition and related costs			<b>(387)</b>	(381)
Profit before income tax			<b>2,340</b>	2,063

Segment revenue excludes interest received. Expenses exclude interest paid, depreciation, amortisation and acquisition costs.

During the financial year ended 30 June 2020, the Australasian segment derived 33% (2019: 42%) of revenue from the top three customers and the UK/Europe segment derived 20% (2019: 38%) from the top three customers.

**Note 24 Subsequent Events**

No matter or circumstance has arisen since 30 June 2020 which is not otherwise dealt with in this report, that has significantly affected or may significantly affect the operations of the Group, the results of its operations or the state of affairs of the Group.

## Notes to the Financial Statements

for the year ended 30 June, 2020

<b>Note 25      Controlled Entities</b>	<b>Country of Incorporation</b>	<b>% Equity</b>		<b>Investment \$ '000</b>	
		<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>
<i>Ultimate Parent Company</i>					
Energy One Limited	Australia				
<i>Controlled Entities</i>					
Energy One Employee Option Plan Managers Pty Limited	Australia	<b>100%</b>	100%	<b>2</b>	2
Creative Analytics Pty Limited	Australia	<b>100%</b>	100%	<b>3,000</b>	3,000
Contigo Software Limited	UK	<b>100%</b>	100%	<b>2,049</b>	2,049
eZ-nergy SAS	France	<b>100%</b>	0%	<b>6,980</b>	0
				<b>Consolidated Group</b>	
				<b>2020</b>	<b>2019</b>
				<b>\$</b>	<b>\$</b>

## Note 26      Related Party Transactions

### *Key management personnel*

Details regarding key management personnel, their positions, shares, rights, and options holdings are details in the remuneration report within the Directors' Report contained in the 2020 Annual Report.

Remuneration of key management personnel :

Short term employee benefits	<b>1,408,241</b>	1,330,053
Post employment benefits	<b>97,329</b>	83,150
Long term benefits	<b>21,574</b>	72,174
Share based payments	<b>656,142</b>	289,043
	<b>2,183,286</b>	1,774,420

### *Mr Vaughan Busby - Director*

Mr Busby is a non-executive Director of Energy One Limited and Energy Queensland Limited. Ergon Energy Queensland Pty Ltd is a wholly owned subsidiary of Energy Queensland Limited and is a customer of the Group. Transactions between the company and Ergon Energy Queensland Pty Limited are on commercial terms and conditions and are completed at an arms length. The agreement generating transactions between the Group and Ergon Energy Queensland Pty Limited commenced prior to Mr Busby being inducted to Energy Queensland's Board and have continued to operate under the terms and conditions of that agreement.

### *Share Placement & Purchase Plan - Non-Executive Directors, CEO and CFO*

The company completed a share placement raising \$4,400,000 and a share purchase plan raising \$1,815,000 to provide funds for the acquisition of eZ-nergy SAS, reduce debt and provide additional working capital.

Related entities of non-executive directors, Ian Ferrier and Ottmar Weiss, participated in the share placement acquiring 400,000 shares each at \$2.20 per share. A related person of Key Management Person, Richard Standen participated in the share placement acquiring 200,000 shares each at \$2.20 per share.

The placement of shares was approved and an extraordinary general meeting on 1 June 2020.

Non Executive Director, Vaughan Busby and a related entity participated in the share purchase plan acquiring 10,000 shares each at \$2.20 per share. The Executive Director, Shaun Ankers and a related person participated in the share purchase plan acquiring 5,000 shares each at \$2.20 per share.

## Note 27      Financial Risk Management

The Group's activities expose it to a variety of financial risks: market risk (including interest rate risk and price risk), credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise adverse effects on the financial performance of the Group. The Group uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate and other price risks and aging analysis for credit risk.

Financial risk management is carried out by the Chief Financial Officer (CFO) under policies approved by the Board of Directors and the Risk Committee. The CFO identifies, evaluates the financial risks in close co-operation with the Group's Management and the Board.

The Group holds the following financial instruments measured in accordance with AASB 9 Financial Instruments, as detailed in the accounting policies to these financial statements:

## Notes to the Financial Statements

for the year ended 30 June, 2020

		Consolidated Group	
		2020	2019
		\$ '000	\$ '000
Note			
<b>Note 27 Financial Risk Management (continued)</b>			
<i>Financial assets</i>			
Cash and cash equivalents	8	3,534	2,216
Trade and other receivables - due within 12 months	9	3,944	4,600
Deposit with bank for bank guarantee – due within 12 months	10	148	0
Due within 12 months		<u>7,626</u>	<u>6,816</u>
Trade and other receivables - due after 12 months	9	0	99
Deposit with bank for bank guarantee – due after 12 months	10	0	148
Due after 12 months		<u>0</u>	<u>247</u>
<i>Financial liabilities</i>			
Trade and other payables - due within 12 months	15	(4,068)	(2,485)
Lease liabilities - due within 12 months	12	(409)	0
Borrowings - due with 12 months	16	0	(1,354)
Due within 12 months		<u>(4,477)</u>	<u>(3,839)</u>
Trade and other payables - due after 12 months	15	(778)	(95)
Lease liabilities - due after 12 months	12	(1,056)	0
Borrowings - due after 12 months	16	(644)	(5,132)
Due after 12 months		<u>(2,478)</u>	<u>(5,227)</u>
Net financial assets / (liabilities)		<u>671</u>	<u>(2,003)</u>

### Cash flow and fair value interest rate risk

Exposure to interest rate risk arises on financial assets and liabilities recognised at reporting date whereby a future change in interest rates will affect future cash flows. The Group's main interest rate risk at year end arises from short-term deposits. The Group is exposed to earnings volatility on floating rate instruments.

The interest rate risk is managed using a mix of fixed and floating short-term deposits. At 30 June 2020 approximately 11% (2019: 6%) of cash and cash equivalents are fixed short term deposits. Short-term deposits are used to ensure that the best interest rate is received. Interest rates are reviewed prior to deposits maturing and re-invested at the best rate, over a number of banking institutions. The interest rate risk is detailed in the tables below :

		Weighted Avg Effective			
		Interest rate	Fixed Interest	Floating	Non-Interest
		%	Rate	Interest Rate	Bearing
			\$ '000	\$ '000	\$ '000
					Total
					\$ '000
<i>Consolidated entity 30 June 2020</i>					
<i>Financial Assets :</i>					
Cash and cash equivalents	0.38%	0	3,534	0	3,534
Receivables	0.00%	0	0	3,944	3,944
Deposit for bank guarantee	1.72%	148	0	0	148
Total financial assets		<u>148</u>	<u>3,534</u>	<u>3,944</u>	<u>7,626</u>
<i>Financial Liabilities :</i>					
Borrowings and payables - due within 12 months	0.00%	0	0	4,068	4,068
Borrowings and payables - due after 12 months	2.72%	0	644	778	1,422
Total financial liabilities		<u>0</u>	<u>644</u>	<u>4,846</u>	<u>5,490</u>
<i>Consolidated entity 30 June 2019</i>					
<i>Financial Assets :</i>					
Cash and cash equivalents	0.47%	0	2,216	0	2,216
Receivables	0.00%	0	0	4,699	4,699
Deposit for bank guarantee	1.98%	148	0	0	148
		<u>148</u>	<u>2,216</u>	<u>4,699</u>	<u>7,063</u>
<i>Financial Liabilities :</i>					
Borrowings and payables - due within 12 months	1.53%	0	1,354	2,485	3,839
Borrowings and payables - due after 12 months	4.27%	0	5,132	95	5,227
		<u>0</u>	<u>6,485</u>	<u>2,580</u>	<u>9,066</u>

## Notes to the Financial Statements

for the year ended 30 June, 2020

### Note 27 Financial Risk Management (continued)

#### Foreign exchange risk

The group's exposure to foreign currency risk at the end of the reporting period was as follows:

#### Consolidated entity 30 June 2020

	GBP \$ '000	EUR \$ '000
Financial Assets :		
Cash and cash equivalents	328	283
Receivables	571	395
Deposit for bank guarantee	115	0
Total financial assets	1,014	678
Financial Liabilities :		
Borrowings and payables - due within 12 months	871	0
Borrowings and payables - due after 12 months	529	0
Total financial liabilities	1,400	0

#### Consolidated entity 30 June 2019

	GBP \$ '000	EUR \$ '000
Financial Assets :		
Cash and cash equivalents	214	690
Receivables	854	421
Deposit for bank guarantee	0	0
Total financial assets	1,068	1,111
Financial Liabilities :		
Borrowings and payables - due within 12 months	698	5
Borrowings and payables - due after 12 months	0	0
Total financial liabilities	698	5

#### Sensitivity Analysis

The Group has performed sensitivity analysis relating to its exposure to interest rate risk at reporting date. This sensitivity analysis demonstrates the effect on the current year results and equity which could result from a change in this risk. At 30 June 2020, the effect on profit and equity as a result of changes in the interest rate, with all other variables remaining constant would be as follows:

		Consolidated Group	
		2020 \$ '000	2019 \$ '000
Change in profit	Increase in interest rate by 2%	(75)	(66)
	Decrease in interest rate by 2%	75	66
Change in equity	Increase in interest rate by 2%	(75)	(66)
	Decrease in interest rate by 2%	75	66

The above interest rate risk sensitivity analysis has been performed on the assumption that all other variables remain unchanged.

The Group has performed sensitivity analysis relating to its exposure to foreign exchange risk at reporting date. This sensitivity analysis demonstrates the effect on the current year results and equity which could result from a change in this risk. At 30 June 2020, the effect on profit and equity as a result of changes in the foreign exchange rate, with all other variables remaining constant would be as follows:

Change in profit	Increase in foreign exchange rate by 5%	(22)	(18)
	Decrease in foreign exchange rate by 5%	22	18
Change in equity	Increase in foreign exchange rate by 5%	(41)	(28)
	Decrease in foreign exchange rate by 5%	41	28

The above interest rate risk sensitivity analysis has been performed on the assumption that all other variables remain unchanged.



## Notes to the Financial Statements

for the year ended 30 June, 2020

### Note 27 Financial Risk Management (continued)

#### *Credit risk*

Credit risk arises from cash and cash equivalents, deposits with banks and financial institutions, as well as credit exposure to trading customers, including outstanding receivables and committed transactions. For banks and financial institutions, only independently rated parties with a minimum rating of 'A' are accepted. Banks without a rating of 'A', but included in the government guarantee will be considered with a maximum \$1M deposit. If there is no independent rating, risk control assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal and external ratings in accordance with limits set by the CFO. The compliance with credit limits is monitored by the CFO.

The maximum exposure to credit risk by class of recognised financial assets at reporting date is equivalent to the carrying value and classification of those financial assets as presented in the balance sheet. Details with respect to credit risk of trade and other receivables are provided in Note 9. No single deposit was larger than \$1M. The Group does not hold any security or guarantees for the financial assets.

#### *Liquidity Risk*

Liquidity risk arises from the possibility that the Group might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through adequate amounts of committed credit facilities and the ability to close out market positions. The Group manages liquidity risk by continuously monitoring forecast and actual cash flows and matching maturity profiles of financial assets and liabilities. Surplus funds are generally only invested in instruments that are tradable in highly liquid markets, for instance cash.

#### *Classification and subsequent measurement*

Financial instruments are subsequently measured at either of fair value or amortised cost using the effective interest rate method.

#### *Investments and other financial assets*

Investments and other financial assets are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. Such assets are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on both the business model within which such assets are held and the contractual cash flow characteristics of the financial asset unless, an accounting mismatch is being avoided.

Financial assets are derecognised when the rights to receive cash flows have expired or have been transferred and the consolidated entity has transferred substantially all the risks and rewards of ownership. When there is no reasonable expectation of recovering part or all of a financial asset, its carrying value is written off.

#### *Financial assets at fair value through profit or loss*

Financial assets not measured at amortised cost or at fair value through other comprehensive income are classified as financial assets at fair value through profit or loss. Typically, such financial assets will be either: (i) held for trading, where they are acquired for the purpose of selling in the short-term with an intention of making a profit, or a derivative; or (ii) designated as such upon initial recognition where permitted. Fair value movements are recognised in profit or loss.

#### *Financial assets at fair value through other comprehensive income*

Financial assets at fair value through other comprehensive income include equity investments which the consolidated entity intends to hold for the foreseeable future and has irrevocably elected to classify them as such upon initial recognition.

#### *Impairment of financial assets*

The consolidated entity recognises a loss allowance for expected credit losses on financial assets which are either measured at amortised cost or fair value through other comprehensive income. The measurement of the loss allowance depends upon the consolidated entity's assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain.

Where there has not been a significant increase in exposure to credit risk since initial recognition, a 12-month expected credit loss allowance is estimated. This represents a portion of the asset's lifetime expected credit losses that is attributable to a default event that is possible within the next 12 months. Where a financial asset has become credit impaired or where it is determined that credit risk has increased significantly, the loss allowance is based on the asset's lifetime expected credit losses. The amount of expected credit loss recognised is measured on the basis of the probability weighted present value of anticipated cash shortfalls over the life of the instrument discounted at the original effective interest rate.

For financial assets measured at fair value through other comprehensive income, the loss allowance is recognised within other comprehensive income. In all other cases, the loss allowance is recognised in profit or loss.

## Notes to the Financial Statements

for the year ended 30 June, 2020

### Note 28 Commitments

The Group has no commitments as at 30 June 2020.

### Note 29 Share Based Payments

The Company operates a number of share-based compensation plans. These include a share option arrangement and an employee share scheme. The bonus element over the exercise price of the employee services rendered in exchange for the grant of shares and options is recognised as an expense in the income statement. Fair value of the options at the grant date is expensed over the vesting period.

The fair value of shares, and rights granted under all plans is recognised as an employee benefit expense with corresponding increase in equity. The fair value of shares is measured at grant date. The fair value of share rights is determined by using a volume weight average share price five days prior to the date the instruments were granted.

The following share-based payment arrangements existed at 30 June 2020:

#### *Equity Incentive Plan*

The Equity Incentive Plan (EIP) was established on 31 October 2014 and ratified on 26 October 2017. The EIP allows the Company to offer employees, and directors different share scheme interests, either as exempt shares or share schemes subject to satisfying performance and service conditions set down at the time of offer.

	<b>Consolidated Group</b>	
	<b>2020</b>	<b>2019</b>
	<b>\$</b>	<b>\$</b>
Total expense arising from EIP share based payments for the financial year	<b>917,784</b>	<b>386,332</b>
	<b>2020</b>	<b>2019</b>
	<b>No. of rights</b>	<b>No. of rights</b>
	<b>'000</b>	<b>'000</b>
Movements in share rights under the EIP for the financial year :		
Balance at the beign of the financial year	<b>510,916</b>	843,195
Rights granted	<b>560,238</b>	510,916
Rights lapsing	<b>0</b>	(294,926)
Rights vested and issued as ordinary shares	<b>(510,916)</b>	(548,269)
Balance at the end of the financial year	<b>560,238</b>	510,916
Average issue price (in \$)	<b>2.17</b>	0.96

510,916 share rights vested during the year ended 30 June 2020 (2019 : 548,269) and no share rights lapsed (2019 : 294,926).

560,238 share rights were issued during the year ended 30 June 2020. The weighted average share price at the date of issue was \$2.17. The exercise price is \$nil (2019 : Nil). The weighted average share price during the financial year was \$2.76 (2019 : \$1.12).

The weighted average remaining contractual life of the share rights under the EIP outstanding at the end of the financial year was 0.90 years (2019: 0.57 years).

Subsequent to 30 June 2020, of the outstanding share rights, the Board have approved the vesting of 221,817 share rights and the lapsing of 156,799 share rights effective 31 August 2020.

#### *Key Estimates - Share based payment*

The Company measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using a volume weight average share price five days prior to the date the instruments were granted. The accounting estimates and assumptions relating to equity-settled payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact profit or loss and equity.

## Notes to the Financial Statements

for the year ended 30 June, 2020

	2020 \$ '000	2019 \$ '000
<b>Note 30      Parent Entity Disclosures</b>		
The following information has been extracted from the books and records of the parent, Energy One Limited and has been prepared in accordance with Accounting Standards.		
Current assets	2,209	2,886
Non current assets	20,220	14,938
<b>Total Assets</b>	<b>22,429</b>	<b>17,824</b>
Current liabilities	4,685	4,322
Non current liabilities	2,446	6,392
<b>Total Liabilities</b>	<b>7,131</b>	<b>10,714</b>
<b>Net Assets</b>	<b>15,298</b>	<b>7,110</b>
Issued capital	18,689	10,024
Reserves	506	172
Accumulated losses	(3,897)	(3,086)
<b>Total Equity</b>	<b>15,298</b>	<b>7,110</b>
<b>Profit before income tax</b>	<b>(115)</b>	<b>696</b>
Income Tax Expense	(50)	(395)
<b>Profit for the year of the parent entity</b>	<b>(165)</b>	<b>301</b>
<b>Total comprehensive income for the parent entity</b>	<b>(165)</b>	<b>301</b>

Accounting policies are consistent to the Group except for investments held at cost.

The Parent has current deposits with banks that are used for bank guarantees of \$148,000 (2019: non current \$148,000) for rent on head office premises.

The Parent has no other contingent liabilities or contractual commitments for the acquisition of property, plant or equipment.

The financial information for the parent entity, Energy One Limited has been prepared on the same basis as the consolidated financial statements.

## Directors' Declaration

In the directors' opinion:

- (a) the financial statements and notes set out on pages 23 to 47 are in accordance with the Corporations Act 2001, including:
  - (i) complying with Accounting Standards, which, as stated in accounting policy Note 1 to the financial statements, constitutes explicit and unreserved compliance with International Financial Reporting Standards (IFRS), the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
  - (ii) giving a true and fair view of the Consolidated entity's financial position as at 30 June 2020 and of its performance, for the financial year ended on that date; and
- (b) the Chief Executive Officer and the Chief Financial Officer have declared that:
  - (i) the financial records of the Company for the financial year have been properly maintained in accordance with s 286 of the Corporations Act 2001;
  - (ii) the financial statements and notes for the financial year comply with Accounting Standards; and
  - (iii) the financial statements and notes for the financial year give a true and fair view; and
- (c) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

On behalf of the Directors

**Andrew Bonwick**  
**Chairman**

**Shaun Ankers**  
**Managing Director**

08 September 2020

## INDEPENDENT AUDITOR'S REPORT

To the members of Energy One Limited

### Report on the Audit of the Financial Report

#### Opinion

We have audited the financial report of Energy One Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2020, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial report, including a summary of significant accounting policies and the directors' declaration.

In our opinion the accompanying financial report of the Group, is in accordance with the *Corporations Act 2001*, including:

- (i) Giving a true and fair view of the Group's financial position as at 30 June 2020 and of its financial performance for the year ended on that date; and
- (ii) Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

#### Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Report* section of our report. We are independent of the Group in accordance with the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.



### *Impairment of Intangible Assets and Software Development*

<i>Key audit matter</i>	<i>How the matter was addressed in our audit</i>
<p>The Group has intangible assets and software development assets, consisting of capitalised development costs that has been acquired and internally developed, and intangible assets, consisting of goodwill and recognised patents, of \$14,109,000 (refer to Note 13) and \$8,597,000 (refer to Note 14) respectively.</p> <p>This was determined to be a key audit matter as the determination of the value-in-use of each cash generating units (CGU) and whether or not an impairment charge is necessary, involved judgements and estimates by management regarding the future growth rates of the cash flows in each CGU, the discount rates applied to those cash flows, and other key assumptions required in determining the appropriate value-in-use.</p>	<p>Our audit procedures to address they key audit matter included:</p> <ul style="list-style-type: none"> <li>• Assessing the appropriateness of identified CGU's and the allocation of carrying value of assets to identified CGU's;</li> <li>• Obtaining the Group's value in use model and reviewing consistency of the cash flows with historical trends, future budgets approved by management and those charged with governance and future contracted revenue;</li> <li>• Corroborating the assumptions for the key inputs in the value in use model such as forecast revenue, forecast costs, discount rates and terminal growth rates;</li> <li>• Performing tests over the mathematical accuracy of the model and the underlying calculations; and</li> <li>• Performing a sensitivity analysis on the key financial assumptions in the model.</li> </ul> <p>For software development assets, we also performed the following specific tests:</p> <ul style="list-style-type: none"> <li>• Reviewing the reasonableness of the useful life of software development assets and checking the accuracy of amortisation expenses recognised during the period; and</li> <li>• Comparing trends in sales by product with the specific software development assets to ensure the assets capitalised were expected to generate future economic benefits to the Group.</li> </ul>

### *Recognition of Revenue from Licenses and Related Services*

<i>Key audit matter</i>	<i>How the matter was addressed in our audit</i>
<p>As disclosed in Note 2, recognition of revenue from license and related services is determined as an area of key estimate and judgement on the basis of the following:</p> <ul style="list-style-type: none"> <li>• Management recognise revenue based on the best estimate of expected revenue to be received for individual contracts;</li> <li>• Project and implementation revenue are recognised by reference to the stage of completion of individual contracts and there is judgement associated with determining the stage of completion; and</li> <li>• There is judgement associated with determining whether the license fee portion of revenue contracts should be recognised at a point in time or over time, depending on the nature of the activities required under the contract.</li> </ul> <p>Due to the nature of the key estimates and judgements, this has been determined as a key audit matter.</p>	<p>Our audit procedures to address the key audit matter included, but were not limited to, the following:</p> <ul style="list-style-type: none"> <li>• Reviewing the appropriateness of management's judgements associated with the fair value of consideration expected to be received by reference to the terms of the individual contract and the history of receipt for each individual customer;</li> <li>• Evaluating the accuracy of managements judgements associated with the stage of completion of individual contracts by testing the accuracy of assumptions in relation to services performed to date against the expected total services to be provided under the contact;</li> <li>• Evaluating the reasonableness of managements judgements associated with the recognition of license fee revenue at a point in time or over time by reference to the specific contract in place and the understanding of the activities required under those contracts;</li> <li>• Review revenue recognition policies to ensure revenue is recorded in accordance with <i>AASB 15 Revenue from Contracts with Customers</i>; and</li> <li>• Review the completeness and accuracy of disclosures in the annual financial report to ensure compliance with AASB 15.</li> </ul>



## Acquisition of Ez-Nergy SAS

<i>Key audit matter</i>	<i>How the matter was addressed in our audit</i>
<p>As disclosed in Note 22, Energy One Limited acquired 100% of the shareholding of Ez-Nergy SAS, a French incorporated company, on 3 June 2020.</p> <p>The accounting for the acquisition has been identified as a key audit matter due to the material nature of the acquisition and the related estimates and judgements associated with the identification and determination of the fair value of the assets and liabilities acquired.</p>	<p>Our procedures to address the key audit matter included, but were not limited to, the following:</p> <ul style="list-style-type: none"> <li>• Review the purchase and sale agreement to understand the terms and conditions of the acquisition including consideration payable and evaluating management's application of AASB 3 <i>Business Combinations</i>;</li> <li>• Performing procedures to assess the accuracy of the completion date balance sheet;</li> <li>• Evaluating the assumptions and methodology in managements determination of the fair value of assets and liabilities acquired, particularly in relation to the valuation of software development;</li> <li>• Reviewing the initial purchase price allocation, including the recognition of goodwill and software development assets and the identification of other potential intangible assets acquired; and</li> <li>• Assessing the adequacy of the Group's disclosures relating to the acquisition in accordance with Australian Accounting Standards.</li> </ul>

## Other information

The directors are responsible for the other information. The other information comprises the information in the Group's annual report for the year ended 30 June 2020, but does not include the financial report and the auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## Responsibilities of the directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.



In preparing the financial report, the directors are responsible for assessing the ability of the group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

#### **Auditor's responsibilities for the audit of the Financial Report**

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website (<http://www.auasb.gov.au/Home.aspx>) at: [http://www.auasb.gov.au/auditors\\_responsibilities/ar1.pdf](http://www.auasb.gov.au/auditors_responsibilities/ar1.pdf).

This description forms part of our auditor's report.

#### **Report on the Remuneration Report**

##### **Opinion on the Remuneration Report**

We have audited the Remuneration Report included in the directors' report for the year ended 30 June 2020.

In our opinion, the Remuneration Report of Energy One Limited, for the year ended 30 June 2020, complies with section 300A of the *Corporations Act 2001*.

##### **Responsibilities**

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

BDO Audit Pty Ltd



Clayton Eveleigh  
Director

Sydney, 8 September 2020

## Additional Securities Information

The additional information required by the ASX Limited Listing rules and not disclosed elsewhere in this report is set out below. This information is effective as at 02 September 2020.

The company is listed on the Australian Securities Exchange (ASX : EOL)

The total number of shareholders is 435. There are 25,588,649 ordinary fully shares listed on the Australian Securities Exchange. The twenty largest shareholders hold 20,819,277 ordinary shares and 81.36% of the Company's issued capital. The number of shareholdings held in less than marketable parcels is 15 representing 591 ordinary shares.

### Distribution of Security Holders

Holdings Ranges	Ordinary Shares	
	Holders	Number
1 - 1,000	124	59,168
1,001 - 5,000	140	379,757
5,001 - 10,000	57	434,514
10,001 - 50,000	67	1,339,740
50,001 - 100,000	17	1,168,764
100,001 and over	30	22,206,706
Totals	435	25,588,649

### Substantial Shareholders

	Ordinary	
	Shares	Percentage
The substantial shareholders are set out below :-		
Mr Ian Ferrier	7,478,828	29.23%
Mr Vaughan Busby	4,104,269	16.04%
Topline Capital LP	2,051,349	8.02%
Mr Ottmar Weiss	1,689,732	6.60%

### Voting Rights

*Ordinary Shares* - On a show of hands, every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

*Share Rights* - No voting rights

### Unquoted Securities

*Share Rights* - There are 293,230 share rights unvested at 02 September 2020.

## Additional Securities Information (continued)

		Number	% of Issued
Twenty Largest Shareholders - Ordinary Shares		Held	Shares
1	Sonpine Pty Limited	6,153,891	24.05%
2	Mr Vaughan Busby	3,286,096	12.84%
3	BNP Paribas Nominees Pty Ltd	2,060,677	8.05%
4	Pacific Custodians Pty Limited	1,077,859	4.21%
5	Polding Pty Ltd	963,968	3.77%
6	Abbysah Pty Limited	928,260	3.63%
7	Shuper Smsf Pty Limited	812,921	3.18%
8	Mrs Emma Jane Gracey	777,535	3.04%
9	Mr Ottmar Weiss	761,472	2.98%
10	Rearden Group Pty Ltd	732,663	2.86%
11	Moat Investments Pty Ltd	653,511	2.55%
12	Mast Financial Pty Ltd	501,770	1.96%
13	Guerilla Nominees Pty Ltd	389,516	1.52%
14	May James Consulting Pty Ltd	379,819	1.48%
15	Gliocas Investments Pty Ltd	294,467	1.15%
16	Energy One Employee Option Plan Managers Pty Limited	238,587	0.93%
17	Ankers Super Fund Pty Ltd	223,245	0.87%
18	Mr Benjamin Youngman Graham	200,000	0.78%
19	Mrs Kathryn Clare Standen	200,000	0.78%
20	Bydand Capital Pty Ltd	183,020	0.72%
		20,819,277	81.36%

## Corporate Information

Energy One Limited Shares are listed on the Australian Stock Exchange (ASX) Code : EOL  
ABN: 37 076 583 018

### Website

[www.energyone.com](http://www.energyone.com)

### Directors & Officers

Andrew Bonwick	Chairman
Ian Ferrier	Non - Executive Director
Ottmar Weiss	Non - Executive Director
Vaughan Busby	Non - Executive Director
Shaun Ankers	Chief Executive Officer
Richard Standen	Chief Financial Officer & Company Secretary

### Corporate Governance Statement

<http://www.energyone.com/investors/governance/>

### Offices

*Principal, Registered & Sydney Office*  
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North Sydney, NSW 2060

PO Box 6400  
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Tel: +61 2 8916 2200

*Contigo Software Limited - UK Office*  
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Solihull, UK B91 2AA  
Tel: +44 (0) 845 838 6848

*eZ-nergy SAS - Europe Office*  
24 rue de l'Est  
Paris, France 75020  
Tel: +33 (0) 1 84 17 75 65

*Melbourne Office*  
Level 6, 50 Queen Street  
Melbourne, VIC 3000

*Adelaide Office*  
Suite 15, Level 1  
22 Greenhill Road  
Wayville, SA 5034

*Brisbane Office*  
Suite 17, Level 1  
1024 Ann Street  
Fortitude Valley, QLD 4006

### Share registry

Link Market Services Limited  
Level 21, 10 Eagle Street  
Brisbane, QLD 4000

### Auditors

BDO Audit Pty Limited  
Level 11, 1 Margaret St  
Sydney, NSW 2000

### Solicitors

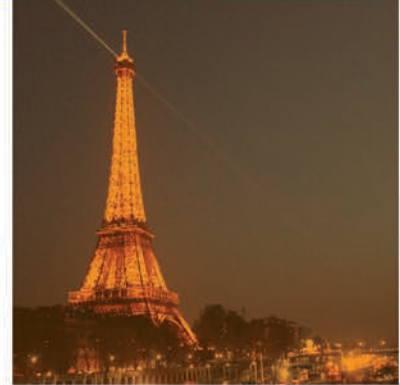
Gilbert & Tobin  
Level 35, Tower 2  
Barangaroo Avenue  
Barangaroo, NSW 2000

### Bankers

Westpac Banking Corporation  
Level 31, 275 Kent Street  
Sydney, NSW 2000



# Our Locations



**Adelaide**



Level 13, 77 Pacific Highway  
North Sydney, NSW 2060  
Australia

**Brisbane**

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Solihull, B91 2AA  
United Kingdom

**Melbourne**

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France

**Paris**

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**Solihull**

ASX: EOL  
ABN: 37 076 583 018

**Sydney**

[www.energyone.com](http://www.energyone.com)



**energyone**