



ENERGY ONE LIMITED

ABN 37 076 583 018

**APPENDIX 4D
for the half year ended 31 December 2021**

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Reporting Period

Previous Reporting Period

for the half year ended 31 December 2021

for the half year ended 31 December 2020

Results for announcement to the market	31 Dec 2021	31 Dec 2020	Change
	\$ '000	\$ '000	%
Revenue and other income	14,611	14,009	4%
EBITDA *	4,411	4,169	6%
Net profit before tax	2,200	2,680	-18%
Comparative Net profit before tax *	2,763	2,729	1%
Profit after tax attributable to members	1,461	2,026	-28%
Net tangible asset backing per ordinary share shown (in cents) **	53.51	50.06	7%
Earnings per share (in cents)	5.66	7.85	-28%
* Before acquisition and other one off costs			
** NTA includes software development used to generate income and excludes deferred tax assets and amounts recognised under AASB16 Leases			

Commentary

Please refer to the attached Chief Executive Officer's commentary and financial report for the half year ended 31 December 2021.

Other information

Control gained over entities having a material effect

Egssis SAS effective 1 December 2021

Loss of control over entities having a material effect

N/A

Details of associates and joint venture entities

Please refer to the 30 June 2021 Financial Statements for details.

Audit Status

This report is based on accounts that have been subject to review.

Attachments

Further disclosure can be found in the notes to the attached interim Financial Report.

Dividends	Amount per ordinary share	Franked Amount per ordinary share
Dividend for the year ended 30 June 2021 declared 20 August 2021 paid 18 October 2021	6.00 Cents	0.00 Cents
Dividend for the year ended 30 June 2020 declared 25 August 2020 paid 16 October 2020	3.50 Cents	0.00 Cents

Shaun Ankers - Chief Executive Officer

21 February 2022



CEO's Commentary

for the half year ended 31 December 2021

Dear Shareholders

The Energy One Group is pleased to report another profitable period of growth for the six months to 31 December 2021 in line with expectations. This was achieved through growth in our Australasian (AU) businesses and through the acquisition of Egssis in Europe. Pleasingly both Australasia and Europe showed strong growth in recurring revenues.

The revenue performance for the Group (versus the prior comparative period), was as follows:

· Group revenue (and other income)	\$14.6M	up 4%
· Recurring revenues of	\$13.0M	up 16%

As foreshadowed at the full year result, revenue growth has been flat (prior to the inclusion of Egssis NV from 1 December 2021) due to market uncertainties and travel restrictions caused by the Covid-19 pandemic. Both these factors have made it more difficult to win large new customers and have thus temporarily impacted one-off project revenue.

Historically, 80% of our revenue is recurring (from SaaS and other services) and 20% from one-off project-related installations and customisations. Notwithstanding that ~80% of our revenue is recurring, we do experience 'flex' in one-off project revenue and this can affect the results from half to half.

It is worth noting that the prior comparative period (pcp) also contained a disproportionately large amount of one-off project work. This work is now complete and we welcome SNCF (the French National Railway Company) and a large national grid operator in Europe as customers.

Pleasingly the quality of revenue has increased with recurring revenues growing 16% over the pcp. An indication of the underlying organic growth within the business.

Management have taken advantage of the reduced project activity to progress the acquisition pipeline. As a result, the company has made two acquisitions in the last six months. The first, Egssis a Belgium based business was completed in December of 2021. The second, CQ Energy based in Australia, was announced on the 31 January 2022 and we anticipate the transaction reaching completion towards the end of March.

Due to the timing of these acquisitions the financial results for this half have been affected by a number of one-off costs without corresponding revenue to offset these costs. To this end, we have provided high level results (in this commentary and the investor presentation) normalised for acquisition (and one-off) costs to help shareholders make a meaningful comparison:

· Normalised EBITDA of \$4.4M	up 6% on pcp
· Normalised NPBT was \$2.8M	up 1% on pcp

Gross margins remain stable and EBITDA margins have increased slightly once normalised for one-offs.

So despite flat revenue for the half (over pcp) we are the view that the business is performing well with **recurring revenues growing**, and margins stable.

We recently published a presentation on our strategy going forward (available [here](#)). I would like to turn your attention to that strategy and make some additional comments.

CEO's Commentary (continued)

for the half year ended 31 December 2021

Our strategy

Traditionally, we have been very successful at providing enterprise-grade solutions (generally) to larger 'tier 1' customers.

As the market changes and newer, renewable generation comes to the fore, the customer segmentation is changing, producing more 'medium sized' customers, with the number of traditional utilities likely to reduce in the medium term. These large 'tier 1' businesses usually have the resources to undertake large IT projects and staff 24/7 trading desks to manage their portfolios in an increasingly 'physical' energy marketplace. (The term 'physical' energy refers to the commodity itself, rather than financial derivatives used to hedge that commodity. This means the buying/selling of energy in the spot market, the logistics of moving that energy to various hubs, the activities required to maintain stable electricity grids, and so on). However smaller renewable generators often don't have the luxury 24/7 trading and ops teams.

Energy One's solutions for wind, solar and grid scale batteries are not only facilitating the entry of new renewable generation into national energy markets they are also helping established utilities transition to renewable energy.

Our traditional competitors in the ETRM space tend to focus on software-only solutions. We believe Energy One is uniquely positioned (in that) not only can we provide enterprise systems for large scale utilities but it can also provide (software and service) solutions to the new wave of renewable electricity generators. This pro-active approach means we are well positioned for the wave of investment in renewables that will certainly arrive in the medium term.

It's important to note (with all the buzz surrounding renewable energy) that our investment in the energy services sector is not speculative. We have acquired strong, profitable businesses that are already thriving in the early stages of this investment wave.

Progressing our strategy in real terms, the brands of our European businesses (Contigo, eZ-nergy and Egssis) will be consolidated and operate under the Energy One brand going forward. This reflects the increasing maturity of the organisation and will also help with our ambition of building a truly global solution.

While we anticipate new entrant 'green power' customers will be attracted to our software and service offerings, we also anticipate that with an appropriate level of global sophistication, we will be well positioned to win outsourcing from traditional enterprise blue chip customers on a regional and (even) a global basis.

We have been quietly working away on this strategy for a while and with the acquisitions of eZ-nergy, Egssis and CQ energy we are now the number two provider of 24/7 energy software and services in Europe and the number one provider in Australia. We believe this provides a solid foundation and a strategic first mover advantage going forward.

With this in mind, it is worth discussing the Egssis and CQ acquisitions.

CQ is an excellent business, founded by industry professionals offering high quality professional and operational services to the Australian energy market.

While CQ has traditionally marketed itself as a services business, software is at the core of their business. It is essentially a Software with a Service (SaaS) business. The software used by CQ has been developed in-house and is not sold as a separate product, instead, it is an internal platform used to facilitate the services. By offering Software *with* a Service, Energy One can offer (i.e. cross-sell) additional software to services customers and vice versa. The two business lines are entirely synergistic.

CEO's Commentary (continued)

for the half year ended 31 December 2021

Likewise, Egssis is also an established expert in the Europe market. The business has been assisting European companies with 24/7 software and services for many years and have built a strong capability that is highly complementary to our existing French and UK business. Slightly different from CQ, our European businesses also offer software as a service, complemented with a service. Nonetheless, these business models are materially similar and entirely synergistic with each other.

Importantly, the quality of revenue from the operational services business is not dissimilar to that of our SaaS business in that 60-80% of the revenue is recurring. A wind farm, solar farm or grid scale battery will contract for the provision of 24/7 operational energy services for fixed periods of 3, 5 or 10 years, which then automatically renews on an annual basis. This is important given the useful life for these assets is 20-30 years.

Collectively, these acquisitions are vital pieces in the strategy to build a global, follow the sun (time zone) solution for customers. We now offer a suite of energy trading software for wholesale customer requirements. In addition, we are building out the global capability to enable our customers to operate the software in the fast-moving, fast growing renewable energy market. We believe we have a strong differentiator over the traditional competitors whose focus is often on the provision of software alone. While automation is a vital part of the solution, the market (and regulators) still require human supervision of the process. We can offer this.

Investors have asked about gross margins for both the software and the services businesses. Once CQ is incorporated, we will publish more detailed information about these two business streams. In the meantime, I'm happy report gross margins in our traditional SaaS business (software) are in the 80%+ range, combined with our one-off (T&M) installation services, has given us that blended GM% of ~60% that investors are familiar with.

Some of our competitors will argue that operational efficiencies can only be made using software. We have taken a different view and believe, when done properly, services can achieve additional economies of scale and scope. Operational services also produce high quality recurring revenue at good margin, and we believe that with scale and automation, a high quality services business is materially (and comparably) as valuable as our high quality software business, from a margins perspective.

We look forward to reporting further on the expected margins from a global software-with a service business in due course.

The integration of CQ and the development of a global services business will take 1-2 years. In this time, we need to 'build out' our global capability, without upsetting the local, regional solutions and their excellent customer services.

You may recall that we said it would take a similar period for us to realise the full impact from our Egssis acquisition. This is because we must invest in common operating platforms, in global operations staff and in integrating solutions across the group. Nonetheless, as always, we remain committed to profitable growth.

With this in mind, the Board expects that the full-year FY22 (assuming completion of CQ Partners by 1 April 2022) will produce a result in the order of Revenue ~\$32M and EBITDA (excluding any acquisition and other one-offs) of ~\$9.5M.

CEO's Commentary (continued)**for the half year ended 31 December 2021**

Energy One is operating in what is arguably the most exciting sector in the world today, the greenpower revolution. We enable our newer customers to enter this market, to monetise their energy and where appropriate, assist our existing customers to make the transition from traditional fuel sources without interrupting current operations. The world is making its way toward a 'Net Zero' future, and Energy One is proudly playing its part in facilitating this revolution.

A handwritten signature in black ink, appearing to read 'S Ankers', is positioned above the name of the Chief Executive Officer.**Shaun Ankers - Chief Executive Officer**



**Interim Financial Report
for the half year ended 31 December 2021**

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Your directors present their report on Energy One Limited (the Company) and its controlled entities (the Group) for the half year ended 31 December 2021.

Directors

The names of directors who held office during or since the end of the half-year :

Andrew Bonwick – Chairman
Shaun Ankers – Chief Executive Officer
Ian Ferrier - Non-executive Director
Ottmar Weiss – Non-executive Director
Vaughan Busby – Non-executive Director

Principal activities

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

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

Review of operations

The revenue and other income for the Group for the half year was \$14,611,000 (31/12/2020: \$14,009,000). The earnings before depreciation, amortisation, interest, tax and acquisition costs was \$4,411,000 (31/12/2020: \$4,169,000). The comparative net profit before tax was \$2,763,000 (31/12/2020: \$2,729,000) and net profit after tax for the Group for the half year was \$1,461,000 (31/12/2020: \$2,026,000).

Significant changes in the state of affairs

On 1 December 2021, Energy One Limited purchased Egssis SAS ("Egssis") for a total consideration of €4,711,000 (\$7,354,000) to be paid in cash, equity and two instalments over an 18-month period. The initial payment comprised €2,500,000 cash and €750,000 in equity, with 2 further payments of €500,000 due 12 and 18 months from acquisition date. This initial cash payment was funded from the Group's working capital and existing Westpac Bank facility. The later cash instalments will also be funded from the Group's working capital and existing reserves.

There were no other material changes in the first half of FY21. The Group has continued to invest in people and systems to ensure that Energy One maintains its position both as a leader in information systems within the energy trading and risk management (ETRM) software market - both in Australasian and European markets.

Rounding of amounts

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

Auditor's independence declaration

The auditor's independence declaration, as required under section 307C of the Corporations Act, for the year ended 31 December 2021 has been received and can be found after this Directors' Report.



Andrew Bonwick
Chairman
21 February 2022



Shaun Ankers
Managing Director

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

As lead auditor for the review of Energy One Limited for the half year ended 31 December 2021, 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 review; and
2. No contraventions of any applicable code of professional conduct in relation to the review.

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



Clayton Eveleigh
Director

BDO Audit Pty Ltd

Sydney, 21 February 2022

Consolidated Statement of Profit or Loss and Other Comprehensive Income

for the half year ended 31 December 2021

	Note	Consolidated Group	
		31 Dec 2021 \$ '000	31 Dec 2020 \$ '000
Revenue and other income			
Revenue	2	14,490	13,830
Other income	2	121	179
		<u>14,611</u>	<u>14,009</u>
Expenses			
Direct project costs		(1,041)	(831)
Employee benefits expense	3	(7,175)	(7,059)
Depreciation and amortisation expense	3	(1,587)	(1,379)
Rental expenses on short term leases		(54)	(76)
Consulting expenses		(906)	(651)
IT and communication		(317)	(235)
Insurance		(229)	(143)
Accounting fees		(199)	(164)
Finance costs	3	(61)	(65)
Acquisition and related expenses		(282)	(49)
Travel and accommodation		(37)	(8)
Shareholder and listing expenses		(75)	(75)
Other expenses		(448)	(594)
		<u>(12,411)</u>	<u>(11,329)</u>
Profit before income tax		<u>2,200</u>	<u>2,680</u>
Income tax expense	4	(739)	(654)
Profit after income tax attributable to owners of the parent entity		<u>1,461</u>	<u>2,026</u>
Basic earnings per share (cents per share)		5.66	7.85
Diluted earnings per share (cents per share)		5.58	7.73
Other comprehensive income :-			
Profit after income tax attributable to members		1,461	2,026
Exchange differences arising from translation of foreign operations		(57)	(104)
Total comprehensive income		<u>1,404</u>	<u>1,922</u>
Total comprehensive income attributable to owners of the parent entity		<u>1,404</u>	<u>1,922</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 31 December 2021

		Consolidated Group	
		31 Dec 2021	30 Jun 2021
	Note	\$ '000	\$ '000
Current Assets			
Cash and cash equivalents	5	3,727	5,422
Trade and other receivables	6	3,896	4,363
Other assets	7	794	906
Total Current Assets		8,417	10,691
Non-Current Assets			
Property, plant and equipment	8	363	245
Lease right-of-use assets	9	3,498	2,734
Software development	10	18,697	15,725
Intangible assets	11	14,296	8,873
Other assets	7	58	73
Deferred tax asset	4	614	939
Total Non Current Assets		37,526	28,589
Total Assets		45,943	39,280
Current Liabilities			
Trade and other payables	12	3,746	4,076
Lease liabilities	9	910	674
Borrowings	13	667	0
Income tax payable		302	1,246
Contract Liabilities	15	3,539	4,065
Provisions	14	1,303	1,079
Total Current Liabilities		10,467	11,140
Non-Current Liabilities			
Trade and other payables	12	756	0
Lease liabilities	9	2,723	2,177
Borrowings	13	2,173	0
Contract liabilities	15	625	717
Deferred tax liability	4	2,469	1,764
Provisions	14	221	290
Total Non Current Liabilities		8,967	4,948
Total Liabilities		19,434	16,088
Net Assets		26,509	23,192
Equity			
Contributed equity	16	23,636	19,812
Reserves	17	628	1,034
Accumulated profits		2,245	2,346
Total Equity		26,509	23,192

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

Consolidated Statement of Changes in Equity

for the half year ended 31 December 2021

	Note	Consolidated Group				Total \$ '000
		Contributed Equity \$ '000	Share Based Payments Reserve \$ '000	Foreign Exchange Reserve \$ '000	Accumulated Losses \$ '000	
Balance as at 1 July 2020		18,689	529	(64)	(462)	18,692
Total comprehensive profit for the half year:						
Profit after income tax for the period		0	0	0	2,026	2,026
Other comprehensive income		0	0	(104)	0	(104)
		0	0	(104)	2,026	1,922
Transactions with owners in their capacity as owners:						
Share issues		404	0	0	0	404
Dividends paid		0	0	0	(897)	(897)
Other transactions :-						
Share based payments		73	398	0	0	471
Shares vesting		633	(633)	0	0	0
Balance at 31 December 2020		19,799	294	(168)	667	20,592
Balance as at 1 July 2021		19,812	952	82	2,346	23,192
Total comprehensive profit for the half year:						
Profit after income tax for the period		0	0	0	1,461	1,461
Other comprehensive income		0	0	(57)	0	(57)
		0	0	(57)	1,461	1,404
Transactions with owners in their capacity as owners:						
Share issues	16	2,824	0	0	0	2,824
Dividends paid		0	0	0	(1,562)	(1,562)
Other transactions :-						
Share based payments	16	67	584	0	0	651
Shares vesting	16	933	(933)	0	0	0
Balance at 31 December 2021		23,636	603	25	2,245	26,509

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

Consolidated Statement of Cash Flows

for the half year ended 31 December 2021

	Consolidated Group	
	31 Dec 2021	31 Dec 2020
	\$ '000	\$ '000
Cash Flows from Operating Activities		
Receipts from customers	16,069	14,227
Receipts of research and development incentives	37	14
Payments to suppliers and employees	(13,242)	(10,987)
Finance costs	(61)	(65)
Interest received	1	3
Income tax	(1,379)	(469)
Net cash provided by operating activities	1,425	2,723
Cash Flows from Investing Activities		
Purchase of property, plant & equipment	(29)	(37)
Purchase of intangible assets - patents & trademarks	(1)	0
Payment for software development costs	(2,060)	(1,509)
Payment of deferred consideration	(764)	(778)
Payment for acquisition of business (net of cash)	(3,537)	0
Net cash used in investing activities	(6,391)	(2,324)
Cash Flows from Financing Activities		
Proceeds/(repayment) of borrowings	2,699	(410)
Receipts from share issues	1,992	692
Payment of dividend	(1,082)	(479)
Lease payments	(338)	(279)
Net cash used in financing activities	3,271	(476)
Net decrease in cash held	(1,695)	(77)
Cash and cash equivalents at beginning of financial year	5,422	3,534
Cash and cash equivalents at end of half year	3,727	3,457

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

Notes to the Financial Statements

for the half year ended 31 December 2021

Note 1 Summary of Significant Accounting Policies

This consolidated interim financial report for the half-year reporting period ended 31 December 2021 ("financial period") has been prepared in accordance with the requirements of the Corporations Act 2001, and Australian Accounting Standards including AASB 134: Interim Financial Reporting.

This consolidated interim financial report is intended to provide users with an update on the latest annual financial statements of Energy One Limited and its subsidiaries ('the Group'). As such, it does not contain information that represents relatively insignificant changes occurring during the half-year within the Group. It is therefore recommended that this financial report be read in conjunction with the annual financial statements of the Group for the year ended 30 June 2021, together with any public announcements made during the half-year in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The consolidated interim financial report is presented in Australian dollars and all values are rounded to the nearest thousand dollars, except when otherwise indicated. This presentation is consistent with the requirements of Legislative Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to the 'rounding off' of amounts in the Financial Statements.

The same accounting policies and methods of computation have been followed in this interim financial report as were applied in the most recent annual financial statements and the corresponding interim reporting period.

New and amended standards adopted by the Group

The consolidated entity has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

	Consolidated Group	
	31 Dec 2021	31 Dec 2020
	\$ '000	\$ '000
Note 2 Revenue and Other income		
<i>Revenue from contracts with customers</i>		
Licences	9,652	8,044
Support and other recurring services	3,336	3,124
Project implementation	1,502	2,662
	14,490	13,830
<i>Other income</i>		
Interest income	2	3
Research and development incentive income *	106	138
Government grants	13	38
	121	179
Total Revenue and Other income	14,611	14,009

Notes to the Financial Statements
for the half year ended 31 December 2021

		Consolidated Group	
		31 Dec 2021	31 Dec 2020
	Note	\$ '000	\$ '000
Note 3 Expenses			
The consolidated income statement includes the following specific expenses :			
<i>Depreciation and amortisation</i>			
Depreciation - Plant and equipment	8	72	76
Amortisation - Leasehold improvements	8	2	4
Amortisation - Lease right-of-use asset	9	367	310
Amortisation - Software development and patents		1,146	973
Loss on Disposal - Plant and equipment	8	0	16
		1,587	1,379
Finance costs			
Interest and finance charges on borrowings		20	41
Interest and finance charges on lease liabilities		41	24
		61	65
<i>Employee benefit expenses</i>			
Superannuation expense		664	622
Employee share plan benefits	22	652	471
Other employee benefits		5,859	5,966
		7,175	7,059

Note 4 Income Tax Expenses

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 25% (2021: 26%)	571	696
Tax effect of overseas tax rate	10	(35)
Add tax effect of non-deductible items (excluding research & development)	176	90
Income tax expense before effect of R&D Incentive and prior period tax adjustment	757	751
Tax effect of R&D incentive	28	29
Net deferred tax liability on finalised acquisition accounting of eZ-nergy	0	(87)
Prior year tax adjustment	(46)	(39)
Income tax attributable to entity	739	654

Net deferred tax :-

	31 Dec 2021	30 Jun 2021
	\$ '000	\$ '000
Opening balance	(825)	(791)
Charged to income	(380)	257
Deferred tax liability on acquired software on acquisition of eZ-nergy	42	83
Deferred tax liability on acquired software on acquisition of Contigo	41	81
Deferred tax liability on acquired software on acquisition of Egssis	(488)	0
Deferred tax liability on acquired customer lists on acquisition of Egssis	(177)	0
Foreign exchange variance	(2)	(12)
Final deferred tax liability on acquisition of software of eZ-nergy	0	(266)
Prior year tax adjustment	(66)	(177)
Closing balance net deferred tax asset / (liability)	(1,855)	(825)

Notes to the Financial Statements

for the half year ended 31 December 2021

		Consolidated Group	
		31 Dec 2021	30 Jun 2021
Note		\$ '000	\$ '000
Note 5	Cash and Cash Equivalents		
	Cash and Cash Equivalents & Restrictive Cash Deposits	3,727	5,422

At the reporting date, the Consolidated Group has deposits with banks that are used for restricted bank guarantees. These have been classified as Other Current Assets in the consolidated statement of financial position.

Note 6 Trade & Other Receivables

Current

Trade receivables		3,339	3,374
Allowance for expected credit losses		(86)	(126)
Contract assets		603	1,086
R&D tax incentive		9	29
Other receivables		31	0
		3,896	4,363

Note 7 Other Assets

Current

Prepayments and deposits		646	758
Restricted term deposit	5	148	148
		794	906

Non current Prepayments and deposits

	58	73
	58	73

Note 8 Property, Plant and Equipment

Plant and equipment at cost		1,559	917
Accumulated depreciation		(1,210)	(677)
		349	240

Leasehold improvements at cost		500	485
Accumulated depreciation		(486)	(480)
		14	5

Total property, plant and equipment		363	245
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Movements in carrying amounts

Opening balance		245	351
Additions - at cost		29	55
Additions - acquisition		162	0
Disposals	3	0	(16)
Depreciation and amortisation expense	3	(74)	(150)
Foreign exchange currency translation		1	5
Closing balance		363	245

Notes to the Financial Statements

for the half year ended 31 December 2021

	Consolidated Group	
	31 Dec 2021	30 Jun 2021
	\$ '000	\$ '000
Note 9 Lease Right of Use Assets & Lease Liabilities		
Lease right-of-use cost	2,734	1,967
Additions - at cost	0	1,882
Additions - acquisition	1,122	0
Disposals	0	(469)
Modifications	0	94
Lease right-of-use accumulated amortisation	(367)	(740)
Foreign exchange currency translation	9	0
	3,498	2,734
Lease liabilities - current	910	674
Lease liabilities - Non current	2,723	2,177

On acquiring Egssis on 1 December 2021, a lease was taken over for the commercial office space in Aslst, Belgium and fifteen car leases. The Right of Use asset for the office space was \$706,000 and the car leases \$416,000. The commercial office lease agreement was for an initial five years ending on 31st December 2022, with a six year extension of the lease entered into in May 2020. The lease can be exited at no cost after the 6 year extension that was entered into, which ends on 31 December 2028. The incremental borrowing rate applied to the new Belgium lease was 2.20%. The car lease terms vary for each car, with the final lease ending October 2026.

Note 10 Software Development

Software development - at cost	26,896	22,774
Accumulated amortisation	(8,199)	(7,049)
	18,697	15,725

Movements in Carrying Amounts

Opening balance	15,724	14,109
Additions - at cost	2,153	3,524
Additions - acquisition	1,950	0
Amortisation	(1,139)	(2,035)
Foreign exchange currency translation	9	127
Closing balance	18,697	15,725

Note 11 Intangible Assets

Patents and trademarks - at cost	14	13
Patents and trademarks - accumulated amortisation	(7)	(7)
	7	6

Customer Relationships - acquisition	707	0
Goodwill	13,582	8,867

Total Intangible Assets	14,296	8,873
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Movements in Carrying Amounts

	Patents	Customer Relationships	Goodwill	Total
	\$ '000	\$ '000	\$ '000	\$ '000
Balance as at 30 June 2021	6	0	8,867	8,873
Additions - at cost	1	0	0	1
Additions - acquisition	0	707	4,729	5,436
Amortisation	(1)	0	0	(1)
Foreign exchange currency translation	1	0	(14)	(13)
Balance as at 31 December 2021	7	707	13,582	14,296

Notes to the Financial Statements
for the half year ended 31 December 2021

		Consolidated Group	
		31 Dec 2021	30 Jun 2021
		\$ '000	\$ '000
Note 12	Trade and Other Payables		
<i>Current</i>	Trade payables	378	454
	GST payable	456	577
	Sundry creditors and accruals	2,131	2,253
	Deferred acquisition consideration	781	792
		3,746	4,076
<i>Non Current</i>	Deferred acquisition consideration	756	0
Note 13	Borrowings		
<i>Current</i>	Term Loan	667	0
<i>Non Current</i>	Term Loan	2,173	0
<p>The Parent company has a bank overdraft facility of \$250,000 of which was undrawn at balance date (30 June 2020: \$Nil). The overdraft facility attracts an interest rate at 4.59% (30 June 2020: 4.59%).</p> <p>The Company received a 3 year term loan extension to December 2024 of the existing facility. The facility limit is \$3,075,000 with a five year principal amortisation resulting in a monthly principal and interest repayment of \$56,000 currently at an interest rate of 2.25% (30 June 2021: 2.66%). The funds provided from this term loan were used in the acquisition and funding of Egssis Limited. The loan balance was \$2,711,000 with no available funds to redraw at the balance date. On acquisition, Egssis had bank loans totalling \$129,000. The loan terms vary, with the final loan finishing in February 2026.</p>			
Note 14	Provisions		
<i>Current</i>	Employee benefits	1,303	1,079
<i>Non-Current</i>	Employee benefits	221	290
Note 15	Contract Liabilities		
<i>Current</i>	Licences received in advance	3,348	3,865
	Unearned R&D Tax Incentive	191	200
		3,539	4,065
<i>Non-Current</i>	Unearned R&D Tax Incentive	625	717
		625	717
Note 16	Contributed Equity	31 Dec 2021	31 Dec 2021
		No shares '000	\$ '000
	Issued capital at beginning of the financial period	25,818	19,812
	Shares issued or under issue during the period -		
	Shares Issued to employees	11	67
	Shares issued as a result of the vesting of share rights	261	933
	Shares issued as a result of businesses acquired	213	1,346
	Shares issued on dividend reinvestment plan and underwrite	240	1,478
	Balance at the end of the financial period	26,543	23,636

Notes to the Financial Statements

for the half year ended 31 December 2021

Note	Consolidated Group	
	31 Dec 2021	30 Jun 2021
	\$ '000	\$ '000
Note 17 Reserves		
<i>Share based payment reserve</i>		
Balance at the beginning of the financial period	952	529
Movement in share based payments	(349)	423
	603	952
<i>Foreign exchange reserve</i>		
Balance at the beginning of the financial period	82	(64)
Retranslation of overseas subsidiaries to functional currency	(57)	146
	25	82
Balance at the end of the financial period	628	1,034

Note 18 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 UK/Europe. Management and the Board of Directors assesses the performance of the operating segment based on the accounting profit and loss.

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

	Australasia	UK/Europe	Australasia	UK/Europe
	31 Dec 2021	31 Dec 2021	31 Dec 2020	31 Dec 2020
	\$ '000	\$ '000	\$ '000	\$ '000
Licences	4,108	5,544	3,623	4,421
Support and other recurring services	1,958	1,378	1,803	1,321
Project implementation	647	855	1,052	1,610
Other income	112	9	142	35
Expenses	(4,735)	(5,747)	(4,638)	(5,201)
Earnings before interest, tax, depreciation & amortisation	2,090	2,039	1,982	2,186
Depreciation & amortisation	(851)	(736)	(781)	(598)
Earnings before interest, tax and acquisition costs	1,239	1,303	1,201	1,588

	Consolidated Group	
	31 Dec 2021	31 Dec 2020
	\$ '000	\$ '000
Reconciliation of unallocated amounts to profit after tax :-		
Earnings before interest, tax and acquisition costs	2,542	2,789
Interest paid	(61)	(65)
Interest received	1	5
Acquisition and related costs	(282)	(49)
Profit before income tax	2,200	2,680

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

During the financial period, the Australasian segment derived 31% (31 December 2020: 37%) of revenue from the top three customers and the UK/Europe segment derived 14% (31 December 2020: 28%) from the top three customers.

Notes to the Financial Statements

for the half year ended 31 December 2021

Note 19 Business combinations

Egssis SAS

On 1 December 2021, Energy One Limited purchased Egssis SAS ("Egssis") for a total consideration of €4,711,000 (\$7,354,000) to be paid in cash, equity and two instalments over an 18-month period. The initial payment comprised €2,500,000 cash and €750,000 in equity, with 2 further payments of €500,000 due 12 and 18 months from acquisition date. This initial cash payment was mostly funded from the Group's working capital and existing Westpac loan facility. The later cash instalments will also be funded from the Group's working capital and existing reserves.

Egssis SAS is a Software as a Service (SaaS) energy trading software and services business. Established in 2008 and based in Belgium, Egssis have 30 staff and 58 customers, operating in the 24/7 European energy market.

	2021	
	EUR € '000	AUD \$ '000
Consideration paid and or payable :-		
Cash on acquisition	2,500	3,903
Cash instalments payable	1,000	1,561
Equity issued - 212,833 shares	750	1,171
	<u>4,250</u>	<u>6,635</u>
Adjusted for :-		
Net present value of instalments at 2.3%	(17)	(26)
Net working capital adjustment	362	565
Market value of shares issued at \$6.35	116	180
	<u>4,711</u>	<u>7,354</u>
Fair Value Recognised on acquisition :-		
Current Assets		
Cash and cash equivalents	596	931
Trade and other receivables	116	181
Other current assets	193	301
	<u>905</u>	<u>1,413</u>
Non Current Assets		
Property, plant and equipment	104	162
Software development - at valuation	1,249	1,950
Customer lists - at valuation	453	707
Goodwill on acquisition	3,029	4,729
	<u>4,835</u>	<u>7,548</u>
Total Assets	<u>5,740</u>	<u>8,961</u>
Current Liabilities		
Trade and other payables	350	546
Income tax payable	39	61
Contract liabilities	3	5
Borrowings	57	89
Employee benefits	121	188
	<u>570</u>	<u>890</u>
Non Current Liabilities		
Borrowings	34	53
Net deferred tax liabilities	426	664
	<u>459</u>	<u>717</u>
Total Liabilities	<u>1,029</u>	<u>1,607</u>
Net Assets	<u>4,711</u>	<u>7,354</u>

Notes to the Financial Statements

for the half year ended 31 December 2021

Note 19 Business combinations (continued)

Egssis SAS

The business combination accounting for Egssis 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 an impact on the assets and liabilities, depreciation and amortisation reported.

Egssis contributed \$438,000 of revenue since acquisition and \$88,000 profit before tax. There were \$282,000 of acquisition costs charged to the profit and loss for the six months to 31 December 2021. If Egssis was acquired 1 July 2021, the revenue for the group would have been \$17,200,000. Profit before tax calculated in accordance with EOL group policies, would have been \$2,375,000 for the period to 31 December 2021.

Note 20 Commitments

The Group has no commitments as at 31 December 2021 or at the comparative period end.

Note 21 Subsequent Events

On 31 January EOL executed a Share Purchase Agreement to acquire all of the shares \ units of the CQ Partners Group for cash and equity based consideration of \$36.0mil. On completion \$26.4mil of cash based consideration is immediately payable and \$6.0mil of equity will be issued to the sellers. In addition to these amounts a further \$1.8mil is payable six months after completion and a final payment of \$1.8mil is payable twelve months after completion. CQ Partners are based in Adelaide Australia and provide highly complimentary 24*7 operational services to Gas and Electricity customers in Australia similar to EOL businesses in Europe. In addition to these services CQ Partners also operate a sophisticated risk transfer \ broking business.

No other matter or circumstance has arisen since 31 December 2021 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.

Note 22 Share Based Payments

Total expense arising from the Energy One Equity Incentive Plan (EIP) share based payments for the financial period

Movements in share rights under the EIP for the financial period:

Balance at the beginning of the financial period

Rights granted

Rights lapsing

Rights vested and issued as ordinary shares

Balance at the end of the financial period

Average issue price in dollars

Consolidated Group	
31 Dec 2021	30 Jun 2021
\$	\$
651,832	1,127,031
No of rights	No of rights
420,796	560,238
325,251	289,546
0	(135,549)
(261,444)	(293,439)
484,603	420,796
6.45	4.16

Notes to the Financial Statements

for the half year ended 31 December 2021

Note 23 Share Based Payments (continued)

The Company issued the following share rights on 16 November 2021 under the EIP which was approved at the AGM on 22 October 2020 :-

103,423 Shares to Senior Executive Staff of Energy One Limited vesting on performance and service conditions between 31 August 2022 and 31 August 2024 valued at and average of \$6.53.

The Company issued the following share rights on 16 November 2021 as approved at the AGM dated 12 November 2021 and under the EIP which was approved at the AGM on 22 October 2020 :-

20,607 Shares rights to Non Executive Directors vesting on service conditions to 31 October 2022 valued at \$6.49

91,991 share rights to the Chief Executive Officer vesting on performance (KPI based) and service conditions on 31 August 2022 valued at an average of \$6.55

The Company issued the following share rights on 3 December 2021 :-

91,028 shares to Senior Executive Staff of Contigo Software Limited vesting on performance and service conditions between 31 August 2022 and 31 August 2024 valued at an average of \$6.29

18,202 shares to Senior Executive Staff of eZ-nergy SAS vesting on performance and service conditions between 31 August 2022 and 31 August 2024 valued at an average of \$6.27

The Company issued 5,852 shares at \$6.49 on 23 November 2021 to Energy One Limited employees under the EIP which was approved at the AGM 22 October 2020.

The Company issued 4.992 shares at \$6.39 on 3 December 2021 to Contigo employees.

**Directors' Declaration
for the half year ended 31 December 2021**

In the Directors' opinion:

(a) the financial statements and notes set out on 10 to 22 are in accordance with the Corporations Act 2001, including:

- (i) complying with Accounting Standard AASB 134: Interim Financial Reporting and the Corporations Regulations 2001;
 - (ii) giving a true and fair view of the Group's financial position as at 31 December 2021 and of its performance for the half year ended on that date; and
- (b) there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the Directors' made pursuant to section 303(5)(a) of the Corporations Act



Andrew Bonwick
Chairman
21 February 2022



Shaun Ankers
Chief Executive Officer

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Energy One Limited

Report on the Half-Year Financial Report

Conclusion

We have reviewed the half-year financial report of Energy One Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 31 December 2021, 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 half-year ended on that date, a summary of statement of accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of the Group does not comply with the *Corporations Act 2001* including:

- (i) Giving a true and fair view of the Group's financial position as at 31 December 2021 and of its financial performance for the half-year ended on that date; and
- (ii) Complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of 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 the audit of the annual 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 the same terms if given to the directors as at the time of this auditor's review report.

Responsibility of the directors for the financial report

The directors of the Company are responsible for the preparation of the half-year 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 half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's responsibility for the review of the financial report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2020 and its financial performance for the half-year ended on that date and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

BDO Audit Pty Ltd

The image shows a handwritten signature in black ink. The signature is written in a cursive style and appears to read 'Clayton Eveleigh'. Above the signature, the letters 'BDO' are handwritten in a similar cursive style.

Clayton Eveleigh
Director

Sydney, 21 February 2022