ENERGY ONE LIMITED

ABN 37 076 583 018

APPENDIX 4D
for the half year ended 31 December 2023

Contents

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Energy One Limited
37 076 583 018

Appendix 4D
Half Year Final Financial Report

Reporting Period	**for the half year ended 31 December 2023**
Previous Reporting Period	for the half year ended 31 December 2022

Results for announcement to the market	**31 Dec 2023**	31 Dec 2022	Change
	$ '000	$ '000	%
Revenue and other income	**25,228**	**20,577**	23%
EBITDA	**3,266**	4,990	(35%)
Net profit / (loss) before tax	**(473)**	1,773	(127%)
Profit / (Loss) after tax attributable to members	**(508)**	1,261	(140%)
Net tangible asset backing per ordinary share shown (in cents) **	**(4.69)**	(12.48)	(62%)
Earnings per share (in cents)	**(1.69)**	4.21	(140%)

** 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 2023.

Other information

Control gained over entities having a material effect
N/A

Loss of control over entities having a material effect
N/A

Details of associates and joint venture entities
Please refer to the 31 December 2023 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 2023	0.00 Cents	0.00 Cents
Dividend for the year ended 30 June 2022 declared 22 August 2022 paid 20 October 2022	6.00 Cents	0.00 Cents

Shaun Ankers - Chief Executive Officer
26 February 2024

Dear Shareholders

The Energy One Group is pleased to present the report for the six months to 31 December 2023.

The performance of the Group versus the prior comparative period (pcp) of 31 December 2022, was as follows:

· Group revenue (and other income)	$25.2M	up	23%
· Recurring revenue	$22.6M	up	23%
· Annual Recurring revenue (ARR)	$46.4M	up	23%
· EBITDA	$ 3.3M	down	35%
· Net Profit before tax	$(0.47M)	down	127%

I am pleased to note that having previously experienced a post-covid effect of reduced sales growth, we have firmly bounced back, posting two trading periods with ~20% organic recurring revenue growth. Most recently, this growth being despite disruptions from the takeover period and our cyber-attack. Our pipeline is strong across the portfolio, and we expect revenue growth to continue strongly.

On a statutory basis EBITDA of $3.3M was $1.7M lower than the comparative period. Whereas revenue was up $4.6M (on pcp), we experienced additional costs in the half, primarily related to:

- Investment in both existing and new staffing of $3M.
- Acquisition costs related to the mooted STG transaction of $0.4M
- Restructuring costs (explained below) of $1.1M
- Cyber incident (non retrievable) costs of $0.3M.

From a profit / (loss) perspective, additional finance costs of $0.2M and depreciation and amortisation of $0.3M impacted that result.

Nonetheless, increases in salaries were 23% on pcp, consistent with revenue growth. Accordingly, Gross margins are maintained in the past 12 months at 62% for the group. This is a blended GM, made up of both labour and SaaS-type margins (which are 80%+).

Our strong revenue growth, coupled with good margins and opportunity for margin growth arising from leverage of capabilities, bodes well for the future of the company.

The Year in Review

Mooted acquisition by STG

During the latter half of 2023, we received a non-binding, indicative offer from Symphony Technology Group (STG). The original offer of $5.75 was revised to $5.15, an offer the Board subsequently rejected. During this process, we incurred extra costs for legal and advisory services. These also impacted the result to December 2023.

In presenting their revised offer, STG were keen to point out that they were enthusiastic about the company and our prospects and that any such offer was not a negative reflection on the business itself.

The process, despite being disruptive, was ultimately valuable to us. We learned a lot from the close scrutiny of our business practices, in which we were challenged to fully explain our rationale for any particular matter. I am glad to say that we were able to present our strategy (and the nature of the opportunity) successfully during these discussions.

Areas for improvement were identified also. Despite having a good deal of integration in place, we still have multiple information and IT systems across the group. These need to be (and are) being consolidated. Cyber is a good example of this and we continue to invest in standardising our approaches to this important topic. Other feedback included that the opportunity to scale is best afforded by modest changes to our operational and organisational approaches. This we were implementing anyway, but again, good to hear that others feel the same way.

Cyber Incident

As we know, during the second half of 2023, some of our systems were hacked by a cyber attacker. In that activity, corporate systems were affected, and some data taken. No customer systems or customer-facing systems were affected, and our business was not materially interrupted.

Our staff worked tirelessly to ensure that systems were up and running again as soon as possible with the minimal disruption. I am immensely proud of our team and that invaluable assistance of our professional advisors both technical and legal and thank them for helping us through an unpleasant situation.

The incident does remind us all that cyber and information security is an ongoing topic for investment and diligence. Whereas we had excellent systems in place, there is always more that can be done. We (as a company) need to standardise our approaches across our country offices and separate systems. We are continuing to invest in this now, and into the immediate future.

This investment also forms part of the push to become accredited for ISO 27001, a certification we have identified as part of our desired credentials to be a recognised global leader. We will continue to work towards accreditation in the coming year.

CQ business unit

During the past year, we have seen a great amount of volatility in global (and regional) energy prices. In Australia, the prices for both electricity and gas were extremely high for extended periods. While these prices do not directly affect our business, there was an indirect effect inasmuch as the labour market for talented energy trading and operations people became extremely tight and this resulted in increase in salaries being seen in the marketplace. This effect, coupled with some recruitment for growth and quality, flowed through to the salary costs at our CQ business unit. Having attracted and retained our high-quality staff, we are confident that the salary cost growth is now returning to normal.

Another impact on CQ is the effect of broking revenue. CQ acts as intermediary between buyers and sellers of complex risk-transfer instruments related to weather events, outage scenarios (when energy assets are out of service) and the like. The buyers are generally energy companies, with sellers being large re-insurers and other financial companies such as hedge funds. As a result of extreme market volatility in 2022 (a period when the National Electricity Market was suspended for a period of time) there was reduced capacity available from sellers for these transactions, coupled with price increases.

This was especially the case for forced outage products where the providers of these withdrew from the market for 2023 both in Australia and in some overseas markets and are only now looking to return. Market demand (buyers) remains strong across all product categories but there has been an impact on CQ revenue of approximately $0.6M, primarily related to forced outage products, which we expect will return during FY 2025.

CQ continues to offer valued and high-quality solutions across consulting, broking, and services. Notably we won new business in the electricity and renewables market, with at least 10 new sites added in the period, bringing $1.5M in new recurring revenue to the business. These wins include additional sites for existing customers, as well as new customers.

We note that the (Australian) national electricity market (NEM) still requires a significant amount of new market entry through renewables and large-scale battery technology to be developed over the next decade to meet market demand as older style thermal plant retires from the NEM.

The Australian Energy Market Operator (AEMO) has noted in its 2023 Electricity Statement of Opportunity that the market expects in the order of 6,730 MW of generation capacity (approximately 20% of the currently registered thermal – coal, gas and diesel – generation fleet) to be retired in the next 10 years. Invariably what this means is that renewables and large-scale batteries will need to be developed through this period to keep the market from having a supply deficit.

CQ is a high-quality business with strong growth opportunities and is a key component of our global ambition, going forward. Having made the noted investments in resources, we now expect the year ahead to be a strong one.

Restructure

Shareholders will know we have embarked upon a program to build upon our position as a regional payer to being a genuine global player in the field of wholesale energy software and services. The company has grown well on a regional (federal type) structure, having Regional CEOs for both Europe and Australasia. Simon Wheeler (Europe) and Dan Ayers (Australasia) have each established their businesses and grown them to be regional powerhouses with strong reputations for good products and great services. However, going forward, and to be able to leverage our systems and capabilities on a global basis, we will be implementing a more (conventional) functionally integrated operating model, organised broadly by global functions (e.g. finance, IT) operating in a matrix with country-level business units.

This structure is to be flatter, and more globally co-ordinated, with functional heads and country leadership teams reporting to an executive leadership team. This will enable us to be more agile, to scale better and ultimately, will improve margins.

In so doing, we will no longer need regional-focussed CEOs and accordingly, Dan and Simon are in the process of leaving the business. I would like to personally thank them both for their invaluable contribution to the business and its growth to date. They leave us stronger and well positioned for growth. Fortunately, we have a great team of functional and business managers who can take us to the next evolution of our development. We also continue to recruit additional key roles such as Chief Information Security Officer (CISO), a critical role in the current world of increased focus on information security. This role has been filled and will be resident in Paris. Additionally, we are relocating the role of CTO and Head of People and Culture to our European territory, to add additional resource to that business and reflective of the growth runway in that geography. In the new structure, country managers (reporting to a global leadership team) will drive the business growth and be supported by the functional teams in achieving these goals.

This restructure, combined with the prior exit of French founders, is expected to produce structural savings of approximately $2m per year, starting in FY25.

Looking Forward

The pipeline across our business is strong. Traditionally, we have commented that we rely on one or two 'big' projects each year. Whereas we welcome major projects, this focus is slowly dissipating as we move further towards recuring revenue accounts. This is particularly true of Europe, as our segment analysis shows. In the market, customers are increasingly seeing us as an integrated provider with multiple solutions to business needs.

This is being seen in the revenue growth for European products, with cross-selling of (for example) the contracts management, scheduling and trading software offering a 'one stop shop' for customers both new and existing. Feedback indicates we also have best-of-breed solutions in certain market areas, evidenced by our recent attendance at E-World in Germany, where our team conducted dozens of product demos for interested prospective customers and we were effectively fully booked for the entire show.

Our battery/storage technology solutions are also receiving plenty of interest, with the Australian business winning accounts and this interest now being seen from our European customers. The market is evolving and Energy One invests to continue to serve this rapidly changing landscape across multiple markets and customer needs. This includes incorporating AI into the cutting-edge aspects of our technology.

Combined with our technology solutions, we continue to be one of the few suppliers of operational and trading services 'on behalf' of customers. We continue to win, retain and grow customers on the strength of our ability to operate our software for customers maybe not able (or wanting) to run/operate their own 24/7 desks.

As indicated, this solution offers benefits to regional customers but also global players as renewables assets are increasingly being developed worldwide, in non-traditional markets. We aspire to be a partner-of-choice for global companies and the discussions we have are encouraging, albeit slightly slower than we would like as global players often presently have regional sub-business structures with incumbent arrangements. We are positioning ourselves to be at the forefront as this change evolves. In saying this, the trusted-partner model is working extremely well with customers on an *in-region* basis. We offer and provide follow-the-sun services to all our European services customers and have plans to reciprocate this for Australian customers also.

As energy businesses roll-out their own growth trajectory we are there to help them (both in Australia and Europe). In Europe, one such new account (which we announced in late 2023) will consequently significantly increase our market/geography coverage and increase our commercial offering. The same is true for Australia where we have been able to help several customers as they develop or grow their own new energy assets, market involvement or trading footprint. This is especially helpful for specialist asset developers and owners, and not solely in renewables.

We have (both organically and inorganically) grown and evolved from a software-only business to a sophisticated solutions provider to meet the needs of an increasingly complex energy landscape.

The results of these endeavours are shown in the revenue growth. For Europe, revenue growth was up 39% on the pcp. In Australia (i.e not including CQ), the revenue growth was 13% on pcp. Collectively, group revenue is up 20% on last December. All of this is organic growth, indicative of the strength of our solutions and the quality of the opportunity for the Company.

Update on Globalisation and Software-and-Services solutions

As shareholders will know, we are investing to build out our global software and services solution, across several projects (cybersecurity, marketing, capability). Within the current period $0.83M has been invested. In FY25, this investment will be adjusted partially reduced as projects complete and folded into business-as-usual, especially in cyber security. Our ISO accreditation project was interrupted somewhat by a focus on information security investment particularly in response to the cyber-attack. Nonetheless, we continue to move towards this accreditation.

Acquisition/Inorganic growth update

We have previously indicated that we have (now) the building blocks in place to launch our growth ambitions. Our focus (for the next period) is to build out our capability and to expand organically. However, we remain open to good acquisition opportunities should they arise.

Summary and Guidance

As mentioned, the first half has been affected by costs associated with re-structuring and other events. The second half is expected to see us returning to normal practice and the FY25 is promising as we then see the effects of structural savings and increased sales.

Our strategy is paying off with continued encouraging indicators since 31 December. The Board is confident that we will show a return to material profitability in the second half, but at this stage it is difficult to provide precise guidance of profit.

The Board does however, indicate revenue guidance (for the FY24 year) of revenue of $51M, of which Recurring Revenue will be around $45M.

Energy One is operating in what is arguably the most exciting sector in the world today, the green power revolution. We enable new 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. This includes (for example) providing solutions to gas as a vital transition fuel underpinning energy security for the foreseeable future. The world is making its way toward a 'Net Zero' future, and Energy One is proudly playing its part in facilitating this revolution.

Shaun Ankers - Chief Executive Officer

Interim Financial Report
for the half year ended 31 December 2023

Contents **Page**

Your directors present their report on Energy One Limited (the Company) and its controlled entities (the Group) for the half year ended 31 December 2023

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
Leanne Graham - Non-executive Director
Michael Ryan – Non-executive Director (appointed 29 January 2024)

Principal activities

The principal activity of the Group during the half year was the development and supply of software and services as well as energy trading and associated advisory services to energy companies and utilities. In the provision of software and services to customers, the Group does not take positions with respect to the energy traded and is therefore not subject to the risks of energy trading positions. The Group is typically remunerated on the basis of a fee for service.

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 **$25,228,000** (31/12/2022: $20,577,000). The earnings before depreciation, amortisation, interest and tax (EBITDA) was **$3,266,000** (31/12/2022: $4,990,000). The net loss before tax was $473,000 (31/12/2022: $1,773,000 net profit) and net loss after tax for the Group for the half year was **$508,000** (31/12/2022: $1,261,000 net profit after tax).

Significant changes in the state of affairs

There were no material changes to the state of affairs of the Group in the first half of FY23. 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 and services 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 2023 has been received and can be found after this Directors' Report.

Andrew Bonwick
Chairman
26 February 2024

Shaun Ankers
Managing Director & Chief Executive Officer

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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 2023, 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, 26 February 2024

Consolidated Statement of Profit or Loss and Other Comprehensive Income

for the half year ended 31 December 2023

	Note	Consolidated Group 31 Dec 2023 $ '000	31 Dec 2022 $ '000
Revenue and other income			
Revenue	2	**25,074**	20,483
Other income	2	**154**	94
		25,228	20,577
Expenses			
Direct project costs		**(2,414)**	(1,862)
Employee benefits expense	3	**(14,852)**	(10,544)
Depreciation and amortisation expense	3	**(2,780)**	(2,428)
Rental expenses on short term leases		**(362)**	(268)
Consulting expenses		**(1,273)**	(865)
IT and communication		**(684)**	(460)
Insurance		**(334)**	(299)
Accounting fees		**(238)**	(236)
Finance costs	3	**(991)**	(791)
Acquisition and related expenses		**(410)**	(10)
Travel and accommodation		**(447)**	(456)
Shareholder and listing expenses		**(59)**	(60)
Other expenses		**(857)**	(525)
		(25,701)	(18,804)
Profit / (Loss) before income tax		**(473)**	1,773
Income tax expense	4	**(35)**	(512)
Profit / (Loss) after income tax attributable to owners of the parent entity		**(508)**	1,261
Basic earnings per share (cents per share)		**(1.69)**	4.21
Diluted earnings per share (cents per share)		**(1.68)**	4.17
Profit / (Loss) after income tax attributable to members		**(508)**	1,261
Other comprehensive income / (loss) :-			
Exchange differences arising from translation of foreign operations		**(440)**	524
Total comprehensive income / (loss)		**(948)**	1,785
Total comprehensive income / (loss) attributable to owners of the parent entity		**(948)**	1,785

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 2023

		Consolidated Group	
		31 Dec 2023	30 Jun 2023
	Note	**$ '000**	$ '000
Current Assets			
Cash and cash equivalents	5	**1,601**	951
Trade and other receivables	6	**7,272**	7,390
Income tax receivable		**160**	566
Other assets	7	**1,163**	1,279
Total Current Assets		**10,196**	10,186
Non-Current Assets			
Property, plant and equipment	8	**529**	497
Lease right-of-use assets	9	**2,809**	3,286
Software development	10	**22,734**	22,437
Intangible assets	11	**52,447**	52,990
Other assets	7	**103**	156
Deferred tax asset	4	**1,857**	1,513
Total Non Current Assets		**80,479**	80,879
Total Assets		**90,675**	91,065
Current Liabilities			
Trade and other payables	12	**4,910**	5,936
Lease liabilities	9	**1,166**	1,143
Borrowings	13	**2,500**	2,500
Contract liabilities	15	**4,838**	5,358
Provisions	14	**1,547**	1,365
Total Current Liabilities		**14,961**	16,302
Non-Current Liabilities			
Trade and other payables		**18**	28
Lease liabilities	9	**1,835**	2,336
Borrowings	13	**20,224**	18,140
Contract liabilities	15	**290**	365
Deferred tax liability	4	**6,013**	6,022
Provisions	14	**643**	812
Total Non Current Liabilities		**29,023**	27,703
Total Liabilities		**43,984**	44,005
Net Assets		**46,691**	47,060
Equity			
Contributed equity	16	**40,489**	40,051
Reserves	17	**1,149**	1,448
Accumulated profits		**5,053**	5,561
Total Equity		**46,691**	47,060

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 2023

	Note	Contributed Equity $ '000	Share Based Payments Reserve $ '000	Foreign Exchange Reserve $ '000	Accumulated Profits $ '000	Total $ '000
		Consolidated Group				
Balance as at 1 July 2022		29,773	757	(656)	4,365	34,239
Total comprehensive profit for the half year:						
Profit after income tax for the period		0	0	0	1,261	1,261
Other comprehensive income		0	0	524	-	524
		0	0	524	1,261	1,785
Transactions with owners in their capacity as owners:						
Share issues		9,309	0	0	0	9,309
Dividends paid		0	0	0	(1,755)	(1,755)
Other transactions :-						
Share based payments		72	391	0	0	463
Shares vesting		831	(831)	0	0	0
Balance at 31 December 2022		39,985	317	(132)	3,871	44,041
Balance as at 1 July 2023		**40,051**	**373**	**1,075**	**5,561**	**47,060**
Total comprehensive profit for the half year:						
Profit / (Loss) after income tax for the period		0	0	0	(508)	(508)
Other comprehensive income / (loss)		0	0	(440)	0	(440)
		0	0	(440)	(508)	(948)
Transactions with owners in their capacity as owners:						
Other transactions :-						
Share based payments	21	0	579	0	0	579
Shares vesting	16	438	(438)	0	0	0
Balance at 31 December 2023		**40,489**	**514**	**635**	**5,053**	**46,691**

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 2023

	Consolidated Group	
	31 Dec 2023	31 Dec 2022
	$ '000	$ '000
Cash Flows from Operating Activities		
Receipts from customers	**26,592**	20,698
Receipts of research and development incentives	**509**	0
Payments to suppliers and employees	**(24,422)**	(17,574)
Finance costs	**(991)**	(791)
Interest received	**32**	0
Income tax	**(364)**	(949)
Net cash provided by operating activities	**1,356**	1,384
Cash Flows from Investing Activities		
Purchase of property, plant & equipment and leased assets	**(152)**	(438)
Payment for software development costs	**(2,224)**	(2,426)
Payment of deferred consideration	**0**	(2,540)
Net cash used in investing activities	**(2,376)**	(5,404)
Cash Flows from Financing Activities		
Proceeds/(repayment) of borrowings	**2,083**	(5,278)
Receipts from share issues, net of transaction costs	**0**	9,792
Payment of dividend	**0**	(1,336)
Lease payments	**(413)**	(367)
Net cash provided by financing activities	**1,670**	2,811
Net increase / (decrease) in cash held	**650**	(1,209)
Cash and cash equivalents at beginning of financial year	**951**	3,348
Cash and cash equivalents at end of half year	**1,601**	2,139

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 2023

Note 1 Summary of Significant Accounting Policies

This consolidated interim financial report for the half-year reporting period ended 31 December 2023 ("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 2023, 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

There were no changes to Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

	Consolidated Group	
	31 Dec 2023	31 Dec 2022
	$ '000	$ '000
Note 2 Revenue and other income		
Revenue from contracts with customers		
Licences	**14,161**	11,578
Support, hosting and other services	**5,184**	3,907
Project implementation	**2,159**	1,261
Operations support and advisory	**3,297**	2,910
CQ brokerage and advisory	**273**	827
	25,074	20,483
Recurring Revenue included in above	**22,642**	**18,395**
Other income		
Interest income	**32**	2
Research and development incentive income	**87**	92
Other income	**35**	0
	154	94
Total Revenue and other income	**25,228**	20,577

Notes to the Financial Statements
for the half year ended 31 December 2023

	Note	Consolidated Group 31 Dec 2023 $ '000	31 Dec 2022 $ '000
Note 3 Expenses			
The consolidated income statement includes the following specific expenses :			
Depreciation and amortisation			
Depreciation - Plant and equipment	8	**108**	107
Amortisation - Leasehold improvements	8	**2**	3
Amortisation - Lease right-of-use asset	9	**571**	543
Amortisation - Software development	10	**1,725**	1,380
Amortisation - Customer lists	11	**373**	394
Amortisation - Patents	11	**1**	1
		2,780	2,428
Finance costs			
Interest and finance charges on borrowings		**941**	737
Interest and finance charges on lease liabilities		**50**	54
		991	791
Employee benefit expenses			
Superannuation and pension expense		**1,197**	1,096
Employee share plan benefits	21	**623**	463
Other employee benefits		**13,032**	8,985
		14,852	10,544

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:

	31 Dec 2023 $ '000	31 Dec 2022 $ '000
Prima facie tax payable on profit from ordinary activities before income tax at 25% (2023: 25%)	**(157)**	503
Tax effect of overseas tax rate	**0**	15
Add tax effect of non-deductible items (excluding research & development)	**133**	62
Income tax expense before effect of R&D Incentive and prior period tax adjustment	**(24)**	580
Tax effect of R&D incentive	**60**	31
Deferred tax rate change	**0**	(139)
Under / (Over) provision for prior year tax	**(1)**	40
Income tax attributable to entity	**35**	512

Net deferred tax :-	31 Dec 2023 $ '000	30 Jun 2023 $ '000
Opening balance	**(4,509)**	(4,648)
Charged to income	**(60)**	(330)
Amortisation of deferred tax liability on prior acquisitions	**190**	391
Foreign exchange variance	**149**	37
Prior year tax adjustment	**74**	41
Closing balance net deferred liability	**(4,156)**	(4,509)

	Consolidated Group	
	31 Dec 2023	30 Jun 2023
	$ '000	$ '000
Note 5 Cash and Cash Equivalents		
Cash, Cash Equivalents and Restricted Cash Deposits	**1,601**	951

At the reporting date, the Consolidated Group has no deposits with banks that are used for restricted bank guarantees.

Note 6 Trade & Other Receivables		
Current		
Trade receivables	**5,592**	5,641
Allowance for expected credit losses	**(11)**	(11)
Contract assets	**1,167**	1,574
Other receivables	**524**	186
	7,272	7,390

(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	**1,566**	1,141
Amounts invoiced during the year	**(1,536)**	(1,804)
Amounts accrued during the year	**1,137**	2,237
Written-off during the year	**0**	0
Closing balance	**1,167**	1,574

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. EOL further manages credit risk by billing the majority of recurring service revenue on a monthly or quarterly basis and for project engagements billing typically occurs through the life of the project on a milestone basis.

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.

Note 6 Trade & Other Receivables (continued)

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

		Gross	Within initial	31-60 days	61-90 days	>90 days
31 Dec 2023	in $'000					
Trade receivables and contract assets		6,758	4,786	1,421	442	109
Other receivables		525	502	0	0	23
Expected credit losses		(11)	0	0	0	(11)
Total		7,272	5,288	1,421	442	121
30 Jun 2023	in $'000					
Trade receivables and contract assets		7,215	6,704	123	146	242
Other receivables		186	186	0	0	0
Expected credit losses		(11)	0	0	0	(11)
Total		7,390	6,890	123	146	231

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 $11,000 (2023: $11,000). Contract assets are included within initial trade terms as they are subject to 30 days credit terms on billing.

			Consolidated Group	
			31 Dec 2023	30 Jun 2023
			$ '000	$ '000
Note 7	**Other Assets**			
Current	Prepayments and deposits		**1,163**	1,279
			1,163	1,279
Non current	Prepayments and deposits		**103**	156
			103	156
Note 8	**Property, Plant and Equipment**			
	Plant and equipment at cost		**2,157**	2,055
	Accumulated depreciation		**(1,642)**	(1,565)
			515	490
	Leasehold improvements at cost		**511**	511
	Accumulated depreciation		**(497)**	(504)
			14	7
Total property, plant and equipment			**529**	497
Movements in carrying amounts				
	Opening balance		**497**	397
	Additions - at cost		**152**	315
	Disposals		**(7)**	0
	Depreciation and amortisation expense	3	**(110)**	(232)
	Foreign exchange currency translation		**(3)**	17
	Closing balance		**529**	**497**

Notes to the Financial Statements
for the half year ended 31 December 2023

		Consolidated Group	
		31 Dec 2023	30 Jun 2023
		$ '000	$ '000
Note 9 Lease Right of Use Assets & Lease Liabilities			
Lease right-of-use cost		**3,286**	3,540
Additions - at cost		**151**	740
Disposals		**(38)**	(33)
Lease right-of-use amortisation	3	**(571)**	(1,103)
Foreign exchange currency translation		**(19)**	142
		2,809	3,286
Lease liabilities - current		**1,166**	1,143
Lease liabilities - Non current		**1,835**	2,336
Note 10 Software Development			
Software development - at cost		**37,109**	35,196
Accumulated amortisation		**(14,375)**	(12,759)
		22,734	22,437
Movements in Carrying Amounts			
Opening balance		**22,437**	19,214
Additions - at cost		**2,223**	5,119
Amortisation	3	**(1,725)**	(3,045)
Foreign exchange currency translation		**(201)**	1,149
Closing balance		**22,734**	22,437
Note 11 Intangible Assets			
Patents and trademarks - at cost		**14**	14
Patents and trademarks - accumulated amortisation		**(13)**	(12)
Customer lists - at cost		**12,835**	12,846
Customer lists - accumulated amortisation		**(1,271)**	(901)
		11,565	11,947
Brand		**1,851**	1,851
Goodwill		**39,031**	39,192
Total Intangible Assets		**52,447**	52,990

Movements in Carrying Amounts	**Brands**	**Customer Lists**	**Patents**	**Goodwill**	**Total**
	$ '000	**$ '000**	**$ '000**	**$ '000**	**$ '000**
Balance as at 1 July 2022	1,851	12,655	4	38,394	52,904
Amortisation	0	(763)	(2)	0	(765)
Foreign exchange currency translation	0	53	0	798	851
Balance as at 30 June 2023	1,851	11,945	2	39,192	52,990
Amortisation	**0**	**(373)**	**(1)**	**0**	**(374)**
Foreign exchange currency translation	**0**	**(8)**	**0**	**(161)**	**(169)**
Balance as at 31 December 2023	**1,851**	**11,564**	**1**	**39,031**	**52,447**

Notes to the Financial Statements
for the half year ended 31 December 2023

		Consolidated Group	
		31 Dec 2023	30 Jun 2023
		$ '000	$ '000
Note 12	**Trade & Other Payables**		
Current	Trade payables	**1,049**	1,927
	GST payable	**403**	708
	Sundry creditors and accruals	**3,458**	3,301
		4,910	5,936
Note 13	**Borrowings**		
Current	Term Loans	**2,500**	2,500
Non Current	Term Loans	**20,224**	18,140

The Parent Company executed a finance facility with National Australia Bank on 11 April 2022. The finance facility has two components being an amortising loan of $20mil with repayments of $625k due on a quarterly basis and a second loan for $10mil that is interest only. At 31 December 2023 the facility limit was $27.625mil after seven $625k repayments. The Facility Agreement was amended on 20 December 2023 to alter existing covenants and to temporarily increase the facility limit of the secured loan to $12.0mil to provide additional short term liquidity to the business with the secured loan limit to revert to $10.0mil on 31 March 2024. Interest is based on the 3,4 or 6 month bank bill rate as chosen by the company with both a margin and facility fee payable. During H1 FY2024 an average interest rate (including the facility fee) of **7.26%** was charged on these facilities. The facilities are fully secured by a fixed and floating charge over the assets and operations of all group entities and have market standard positive and negative covenants, undertakings and events of default typical for the nature of facility. At the date of this report EOL is in compliance with all requirements of the facility.

Note 14	**Provisions**		
Current	Employee benefits	**1,547**	1,365
Non-Current	Employee benefits	**643**	812
Note 15	**Contract Liabilities**		
Current	Licences received in advance	**4,682**	5,189
	Unearned R&D Tax Incentive	**156**	169
		4,838	5,358
Non-Current	Unearned R&D Tax Incentive	**290**	365
		290	365

	31 Dec 2023	**31 Dec 2023**
Note 16 Contributed Equity	**No shares '000**	**$ '000**
Issued capital at beginning of the financial period	**29,947**	**40,051**
Shares issued or under issue during the period -		
Shares issued as a result of the vesting of share rights	**94**	**438**
Balance at the end of the financial period	**30,041**	**40,489**

Notes to the Financial Statements

for the half year ended 31 December 2023

	Consolidated Group	
	31 Dec 2023	30 Jun 2023
	$ '000	$ '000
Note 17 Reserves		
Share based payment reserve		
Balance at the beginning of the financial period	**373**	757
Movement in share based payments	**141**	(384)
	514	373
Foreign exchange reserve		
Balance at the beginning of the financial period	**1,075**	(656)
Retranslation of overseas subsidiaries to functional currency	**(440)**	1,731
	635	1,075
Balance at the end of the financial period	**1,149**	1,448

Note 18 Segment information

The Group is managed primarily on the basis of product and service offerings and operates in two segments, being the Energy software and energy trading industry, and in three business segments, being Australasia, CQ Energy and UK/Europe. Management and the Board of Directors assesses the performance of the operating segment based on the accounting profit and loss in that segment.

There was no intersegment revenue for the year.

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

	Australasia	**CQ**	**Europe**	Australasia	CQ	Europe
	31 Dec 2023	**31 Dec 2023**	**31 Dec 2023**	31 Dec 2022	31 Dec 2022	31 Dec 2022
	$ '000	**$ '000**	**$ '000**	$ '000	$ '000	$ '000
Licences	**5,273**	**0**	**8,888**	4,537	0	7,041
Support, hosting and other services	**2,126**	**0**	**3,058**	1,848	0	2,059
Project implementation	**249**	**0**	**1,910**	397	0	864
Operations support and advisory	**0**	**3,297**	**0**	0	2,910	0
CQ brokerage and advisory	**0**	**273**	**0**	0	827	0
Other income	**87**	**0**	**35**	91	0	1
Expenses	**(7,310)**	**(2,371)**	**(11,839)**	(5,665)	(1,739)	(8,171)
Earnings before interest, tax, depreciation and amortisation	**425**	**1,199**	**2,052**	1,208	1,998	1,794
Depreciation and amortisation	**(1,036)**	**(427)**	**(1,317)**	(948)	(388)	(1,092)
Earnings before interest, tax and acquisition costs	**(611)**	**772**	**735**	260	1,610	702

Notes to the Financial Statements
for the half year ended 31 December 2023

Note 18 Segment information (continued)

	Australasia	**CQ**	**Europe**	Australasia	CQ	Europe
	31 Dec 2023	**31 Dec 2023**	**31 Dec 2023**	30 Jun 2023	30 Jun 2023	30 Jun 2023
	$ '000	**$ '000**	**$ '000**	$ '000	$ '000	$ '000
Current Assets	**2,797**	**1,287**	**6,113**	2,360	1,561	6,265
Non-Current Assets	**46,856**	**17,588**	**14,177**	46,375	19,780	14,724
Total Assets	**49,653**	**18,875**	**20,290**	48,735	21,341	20,989
Current Liabilities	**8,934**	**325**	**5,702**	10,819	627	4,856
Non-Current Liabilities	**21,228**	**3,047**	**2,891**	20,632	3,338	3,733
Total Liabilities	**30,162**	**3,372**	**8,593**	31,451	3,965	8,589
Net Assets	**19,491**	**15,503**	**11,697**	17,284	17,376	12,400
Contributed equity	**40,171**	**0**	**318**	39,728	0	323
Reserves and accumulated profit and losses	**(20,680)**	**15,503**	**11,379**	(22,444)	17,376	12,077
Total Equity	**19,491**	**15,503**	**11,697**	17,284	17,376	12,400

	Consolidated Group	
	31 Dec 2023	31 Dec 2022
	$ '000	$ '000
Reconciliation of unallocated amounts to profit after tax :-		
Earnings before interest, tax and acquisition costs	**896**	2,572
Finance costs	**(991)**	(791)
Interest received	**32**	2
Acquisition and related costs	**(410)**	(10)
Profit before income tax	**(473)**	1,773

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

During the financial period, the Australasian segment derived 23% (31 December 2022: 26%) of revenue from the top three customers and the UK/Europe segment derived 29% (31 December 2022: 13%) from the top three customers.

Note 19 Commitments

The Group has no commitments as at 31 December 2023 or at the comparative period end.

Note 20 Subsequent Events

No matter or circumstance has arisen since 31 December 2023 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

Notes to the Financial Statements
for the half year ended 31 December 2023

Note 21 **Share Based Payments**		Consolidated Group	
		31 Dec 2023	30 Jun 2023
		$'000	$'000
Total expense arising from the Energy One Equity Incentive Plan (EIP) share based payments for the financial period	Note 3	**623**	651

	31 Dec 2023		30 Jun 2023	
Movements in share rights under the EIP for the financial period:	**No of rights**	**$ value of rights '000**	No. of rights	$ value of rights '000
Balance at the beginning of the financial period	**477,204**	**373**	506,880	757
Rights granted	**0**	**520**	436,976	430
Rights lapsing	**(126,211)**	**(70)**	(268,759)	(15)
Rights vested and issued as ordinary shares	**(85,798)**	**(309)**	(197,893)	(799)
Balance at the end of the financial period	**265,195**	**514**	477,204	373
Average issue price in dollars	**5.15**		5.16	

The Company did not issue any share rights or shares under any employee share plan in the period 1 July 2023 to 31 December 2023. On 17 November 2022 the executive of EOL were issued share rights with both service and performance conditions attached. The rights have been revalued during the half to reflect a Board decision to partially vest these rights despite performance conditions not having been met.

The Company issued the following shares and share rights on 19 January 2024:

29,566 share rights to Senior Australian Executive Staff vesting based on service conditions on 31 August 2024 valued at an average of $4.01

13,530 shares issued to Australian staff equating to $1,000 in value per employee and issued at a value of $4.06

8,610 shares issued to Contigo Software Services staff equating to $1,000 in value per employee and issued at a value of $4.06

On 13 January 2024 the company vest 2,790 share rights held by French staff and cancelled a further 775 share rights held by French staff due to the holders not meeting the service conditions and the Board chose not to exercise its discretion and vest the shares.

Directors' Declaration
for the half year ended 31 December 2023

In the Directors' opinion:

(a) the financial statements and notes set out on pages 11 to 23 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 2023 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 2001

Andrew Bonwick
Chairman
26 February 2024

Shaun Ankers
Chief Executive Officer

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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 2023, 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 significant 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 2023 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 2023 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

BDO

Clayton Eveleigh
Director

Sydney, 26 February 2024