Energy One Limited

Annual Report 2022

FINANCIAL YEAR ENDED 30 JUNE 2022

2022

Facilitating the renewable energy revolution

energyone

Energy one has a successful track record of providing sophisticated, proven solutions and services to international energy market customers.

Facilitating the renewable energy revolution

energyone

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FACILITATING THE RENEWABLE ENERGY REVOLUTION

Energy One Limited (ASX : EOL)

We serve a wide range of customers across the globe. Listed on the Australian Stock Exchange (ASX:EOL) since 2007, our customers include energy retailers, generators, users, customers and traders ranging from start–ups to multi-national energy companies.

The wholesale energy market is complex, incorporating the trading of physical energy (gas and electricity) with the requirement to capture and settle contracts for hedging, trading and portfolio purposes as well as a vast array of wholesale operations needs such as nominations, pipeline logistics, market analysis and reporting.

Our suite of products and services offer proven market solutions for European, UK, and Asia-Pacific energy participants, enabling the management of their entire wholesale energy portfolio.

In addition to our products, our market operations services provide a 24/7 ‘follow-the-sun’ approach, where our experienced and dedicated teams work together and act on behalf of customers across the world in scheduling and nominations for day–ahead and intra-day markets.

Our team of industry experts specialise in each of the relevant technical areas and our network of local offices means that we can provide local support to our customers.

The Energy One Group now has more than 350 customer installations in 20 countries and is a leading independent global supplier of wholesale energy trading software solutions.

FY2022 HIGHLIGHTS

9 YEAR REVENUE GROWTH

35%

350 CUSTOMERS IN 20 COUNTRIES

350

LAUNCHED GLOBAL SERVICES BUSINESS

ACQUIRED 2 BUSINESS

2

GREW ARR BY 29%

29%

CHAIRMAN'S REPORT

Dear Shareholder,

It is with pleasure that I am able to report that Energy One Group has achieved its ninth consecutive year of profitability and continuing growth of organic recurring revenues.

In FY2022, Energy One Group continues to demonstrate the benefits of the strategy of organic growth and synergistic acquisitions made in prior years. Organic recurring revenue (before acquisitions) was up 11%, and total revenue was up 16% at a total of $32.1m. Underlying earnings (EBITDA) were in line with expectations at $9.4mil as was underlying NPAT at $4.4mil.

This performance is a strong affirmation of the strategy pursued by the Company and delivered by its management to improve the proportion of recurring revenues earned by the company.

This year was marked by the very successful acquisitions of Egssis in continental Europe and CQ Partners in Australia with continuing underlying organic growth of the Australian and UK operations. 54% of our revenue is earned in Europe and management have grown the European revenues and margins each year.

During the year we witnessed the ongoing impact of the COVID-19 pandemic on populations and economies. Fortunately, the Company has a robust and modern suite of IT systems to enable our employees to cooperate across time zones and geographies to engage with customers, deliver products and upgrades to customers and solve problems. This has protected our employee's health and the Company's revenues.

With the worldwide shift from large stable thermal generators and big retailers to a complex web of renewables, batteries, load shifting and a multiplying number of market participants, the need for robust software and services are growing. In Europe, support services grew out of the need for industrial customers to provide operational forecasts to the grid. In Australia it was a result of the development of multiple small generators without the resources to staff 24/7 trading capability. We have observed the growth in services in both markets. The acquisition of Egssis in continental Europe and CQ Partners in Australia will support the Company's growth and positioning in our markets, and the wider development of renewables in both regions.

As we move to a Global, enterprise quality services capability, the Company's existing automation product and our automated trading tools in this region and in Europe will provide scale and scope efficiencies not available to smaller regional competitors.

These changes will also provide routes to servicing Enterprise customers who are also looking to reduce the cost of localised 24/7 operations and move to robust operations supported by automated processing. This segment is growing and will provide organic opportunities for the Company to increase its software and service sales.

The Board of Energy One Group remains committed to maximising shareholder value by both synergistic acquisition and improving the performance of the existing business over both the short and the long term. Our near term focus will be on the build and development of the Global Services capability.

When reviewing the capital position of the business, and assessing the potential for future business growth, the Board remains mindful of the need to balance further new investment against the need to realise expected returns from investments already made. With both these matters in mind, the Board has decided to declare a final dividend of 6.0 cents per share in this reporting period.

Energy One Group's Board remains committed to improving the liquidity in the Company's traded shares on ASX. In this regard the volume of shares traded on ASX during FY2022 continued to increase, the number of shareholders increased and pleasingly the bid-ask spread continues to narrow. The ongoing availability of the dividend reinvestment plan, in conjunction with the payment of a final dividend this year, is intended to provide a further incremental improvement in liquidity. The DRP was underwritten to maintain balance sheet strength.

In closing, I would like to again thank my fellow directors, management and staff for their continued support, dedication, and strong efforts throughout this busy and difficult year. In particular, I would like to highlight the quality of this year's results in Australia and Europe. This is a testament to the leadership of your Group CEO and the quality of the managers and leaders he has developed as part of his team.

ANDREW BONWICK
Chairman

23 September 2022

“This performance is a strong affirmation of the strategy pursued by the Company and delivered by its management to improve the proportion of recurring revenues earned by the company.”

ANDREW BONWICK

CHIEF EXECUTIVE OFFICER'S REPORT

FY22 was a busy year for Energy One Group during which we successfully completed two strategic acquisitions and executed a new $30mil finance facility. The two acquisitions will provide us with a platform for growth for the next ten years or more by accessing the fast-growing energy services market which facilitates the entry of renewable energy generation into national energy markets.

From a financial perspective, I am pleased to announce FY22 was also another year of profit and growth, with revenues up 16% and underlying EBITDA growing by 15% over FY21 (net of one-off costs).

Pleasingly, recurring revenues continue to grow both organically and via acquisition with recurring revenue growth of 29% over the prior year (to be 92% of total revenue) and Annualised Recurring Revenue (a forward-looking measure) growing by 24%. Importantly organic recurring revenue grew by 11%.

Recurring revenues for the business arise from evergreen contracts with customers for licence fees, software support and hosting fees and recurring operational services such as market scheduling, nominating, monitoring etc. Since 2012, the company has consistently grown recurring revenues achieving a CAGR of 35% per year.

Energy One Group provides essential, mission-critical software and services to our customers. We also endeavour to provide our customers with continuously improving products and services responding to an ever-changing market. Our ongoing communication with customers through user forums and site visits helps us continuously improve and refine our products. As such capitalised investment represented 14% of revenue for the FY22 year. Taken together, these items mean our customers are generally very loyal ('sticky'), and revenue *churn* is very low (typically <5%). Any customers we do lose are invariably due to market exits or corporate activity rather than switching to a competitor's product.

The Company has a *hybrid* revenue model, with about 15%-20% of our revenue being generated from one-off projects. These projects arise from consulting, installation, software customisations, training, special orders etc. While smaller customer can adopt our software with a very quick "out of the box" installation process, our larger customers often require a customised installation process to integrate the new software into their existing technology landscape. For Energy One Group, these project revenues (while lumpy) are valuable because once the software is installed, it then produces an annuity income in the form of recurring revenue.

Importantly, much of this one-off revenue arises from existing customers. This serves to reinforce the concept that as a company we aim to provide customers with high levels of service and engagement. Through this engagement with our customers, we ensure we're servicing their changing needs as they grow. This not only enhances our relationships with existing customers but also increases our share of wallet via cross-selling of other products and services.

Year in review

As mentioned during the year, we made two strategically important acquisitions. In December 2021 we acquired Egssis, based in Aalst in Belgium and in April 2022 we acquired CQ Energy, based in Adelaide Australia. Both acquisitions now place us at the heart of the emerging 24/7 energy services market. The services provided by Egssis and CQ Energy include, among other things, bidding generation into national electricity markets on behalf of clients, scheduling gas nominations and transport across pipelines and providing control room services to manage plant.

The increasing decentralisation of electricity generation as a result of more and more renewables being built to meet various carbon reduction targets, is fuelling the demand for these 24/7 operational energy services. These two businesses now provide us with a platform to create a truly global offering which I will detail shortly.

In the FY22 year one-off, project-type revenues were down vs FY21 (down 45% to 8% of total revenue). This was mainly due to customers sitting on the sidelines in the reduced travel environment. Each year we rely on winning 1-2 'large' (i.e., ~$1mil in one-off revenue) projects (in both Australasia and Europe) and have achieved this for many years in succession. We consider FY22 to be an aberration and are expecting (and seeing) signs of a market pick-up going into FY23.

Many of our new large European customers come from trade shows such as the all-important E-World trade show in Germany, which had been cancelled for the past 2 years. In June 2022, it was up and running again, and we were very pleased with the strong response and levels of interest we received from customers. As a result, we enter FY23 with a good pipeline of sales opportunities and have already secured a large project in Europe in the renewable energy space in addition to signing 5 smaller new clients since June.

Grid scale batteries are becoming progressively more important not only as energy storage and energy arbitrage devices but also for grid stabilisation purposes. Energy One's battery solutions are already gaining traction with projects both signed and in development relating to grid-scale battery technology that also includes the use of our optimisation and trading software and 24/7 services. This is in addition to solutions involving wind, solar and other renewable sources of energy.

Gas continues to play a key role as a transition fuel and recent market events and news headlines emphasise the importance of supplying, transporting and managing wholesale gas supplies both in Australia and Europe. Our customers continue to rely on our software and services to manage their operations, risk positions and portfolio mix. We expect this activity will continue well into the future.

Energy Market disruption will help Energy One in the long term

Given the recent (and well publicised) disruptions in energy markets both in Australia and Europe a common question I get asked relates to whether this turbulence will have an impact on EOL's business, particularly via its effects on junior energy retailers.

We do not have any material exposure to the small retailers currently experiencing financial difficulties or believe that we will. Each year, as we report, we lose a few smaller customers (usually new-entrant retailers) to market exits and corporate activity which is to be expected.

However, we have a very diverse customer base that includes not only retailers, but also generators, traders, infrastructure providers, investment banks etc. It's worth noting the larger, vertically integrated retailers are better placed to manage wholesale market volatility as parts of their portfolio benefit from the increased prices. We witnessed similar market turmoil in the U.K. a couple of years ago, without material impact on our business.

It's worth remembering that for every customer paying these high energy prices, another customer is *receiving* them on the basis they are producing the energy. Indeed, many of our clients are benefiting of our software, given that trading and scheduling of energy in real time is becoming increasingly important with markets becoming more volatile. To this end, as energy markets become more complex and volatile, the need for sophisticated software to help manage portfolio positions will only increase.

In addition, given the high wholesale prices and renewed focus on energy policy, we see an acceleration in the roll out of additional renewable generation. In that sense, the longer-term effects of these energy crises will act as a further tail wind.

To this end, the company has launched a global development project to build out global capability in the fast-moving 24/7 market operations for physical energy markets. This business is an extension of our traditional provision of software to these markets.

We welcomed two new organisations to the Energy One Group during the year, Egssis (Belgium) and CQ Energy (Adelaide Australia). Both high-quality businesses providing operational services to energy market participants, augmenting our existing eZ-nergy services business.
For a software company that values SaaS style revenues for their potential margin growth leverage, it is tempting for some observers to dismiss recurring revenues from professional services as materially inferior quality revenue. To the contrary, we believe these revenues are very similar in nature to SaaS revenues. Typically, energy generation assets have a useful life of 25-30 years and in order to secure project financing, operating costs for the life of the asset are taken into account. This would typically include the provision of 24/7 operational energy services. So once contracted, provided the supplier of these operational services does a good job we don't see a lot of churn meaning it's possible many customers will continue to use our services for the life of the asset.

Energy One Group has a blended gross margin of 63% arising from the combination of lower margins related to one-off project revenue and higher margins of over 80% from recurring SaaS revenues. The blended gross margin also includes other expenses such as amortisation of the software development costs.

Going forward we believe we can achieve a similar gross margin from the services business by leveraging the expertise of our 24/7 operations team with our automation software and a globally efficient platform.

The automated nomination and bidding software is used to fulfill customer transactions within a tightly controlled strategy (pre-agreed with each customer). Overlaid on this is high quality, ongoing, analysis to ensure the strategy remains optimal. In these ways we can offer rapid, quality-controlled, compliant and optimised operations on behalf of our customers while experiencing the operational leverage arising from that solution.

Across our services businesses globally, we already operate on an agile basis, meaning we can onboard 2-3 new sites/customers before being required to increase headcount. This metric is biased towards smaller, discrete 'sites' (such as individual wind farms, for example). Larger, complex customer operations across multiple jurisdictions and types of assets (solar, wind, battery, gas etc) requires a more tailored service, albeit with commensurate fee structures.

Nonetheless, in all cases, automation is a key element in driving consistency in operations and optimising performance. Energy One Group is a leader in automation of energy business processes, with both embedded automation and an exceptionally capable platform (enFlow) that is used to automate manual and recurring processes. We intend to continue to roll enFlow out across the group to internally support continued automation and margin expansion.

Operational Services – an area for growth

As mentioned, Energy One Group has businesses in the UK, Europe and Australia that provide not only software, but also the 24/7 operational services to support customers. This includes using our software products to nominate, schedule and perform other back-office functions, such as settlements, on behalf of customers.

The 24/7 operational services business, whilst a separate and valuable business, is highly complementary to our software business. Customers will often start with one offering then move towards taking a second product or service offering.

Energy One Group has identified 24/7 operational services as an area for strong future growth given the wave of renewable generation needing to be built in the coming decades.

Operating in the 'physical' side of the market (the energy commodity vs. the financial derivatives) is a 24/7 activity, requiring generators, suppliers, shippers and users to nominate, schedule or 'bid' their energy into a grid or hub (whether gas or electricity). Whereas larger, established utilities might have a 24/7 shift team (on a trading desk), smaller, newer entrants rarely have this level of resourcing.

Even larger players often have problems resourcing a night shift or providing holiday cover. Many also struggled to maintain effective 24/7 operations during the Covid pandemic. Energy One Group can provide these services to customers (combined with software) to offer a high quality, cost effective solution.

Based on the rapid expansion of the renewable energy markets in the coming years, we predict an increase in the addressable market for our products and services. Internal management estimates place the total addressable market (TAM) opportunity at about $1bn per year, globally.

We will provide a follow-the-sun service, with desks in Europe and Australia, providing global solutions to customers with energy assets in multiple countries and across diverse portfolios.

The Energy One Group is now the largest vendor/provider of 24/7 operational services in Australasia, and the second largest in Europe. The bulk of the remaining market, especially larger/established customers, provide their own in-house capability. This will shift markedly as renewable generation comes on-line in the years ahead. For example, since 2015, 94% of new generation built in in Australia (145 developments), have been for renewables and of those, we estimate that 87% were 'independent' (i.e. not connected to an existing major player).

Investing for growth

Over the next 2 years, we will invest in building our global capability in the software and services business, specifically related to the follow-the-sun, 24/7 market operations services. As such we intend to invest $1.5mil-$2mil in each of the next two financial years to achieve this goal.

Building out this global capability will require investment in best-practice cybersecurity frameworks; legal, contractual and technical standards; technical (systems and software) and key global personnel and expertise to shape our capability and become the leading international supplier of these types of services. To our knowledge, we have an early or first-mover advantage globally, as no other vendor offers a similar global service. Given the strength of the existing business this investment will be funded from internally generated cash flows.

Having said that, investing for future growth will obviously come at the expense of short-term performance. As such, guidance for FY23 is for revenue of approximately $44.0mil and EBITDA of approximately $12.5mil. This represents an increase in revenue of 37% and EBITDA of 33% over FY22 even after the additional investment in developing a global platform. Guidance is based on current foreign exchange rates and excludes any costs with respect to any possible future acquisitions and related group structuring.

As a company we are pleased to have reached a point in our journey where we can maintain strong growth in profitability while at the same time making substantial investments for additional future growth.

In closing, I would like to thank the Directors and Management for another successful year of profit and growth and look forward to a strong and exciting future.

SHAUN ANKERS
Chief Executive Officer (CEO)

23 September 2022

OPERATING AND FINANCIAL REVIEW

The Operating and Financial Review discuss Energy One Group's activities, performance and business strategy. The statements are prepared and audited in accordance with the Corporations Act 2001 and Australian Accounting Standards which also comply with International Financial reporting Standards (IFRS).

The following analysis considers performance from both a statutory and underlying or adjusted basis. Adjustments have been made to better enable readers to consider underlying business performance across financial periods and remove the impact of major one-off items.

The Group's financial and operating performance over the last five years is summarised below.

$'mil unless otherwise noted

	FY2018	FY2019	FY2020	FY2021	FY2022
Operating and Other Revenue	9.9	16.1	20.6	27.9	32.4
Underlying EBITDA*	2.5	3.9	5.3	8.1	9.4
Underlying net profit / (loss) before tax	**1.7**	**2.5**	**2.7**	**5.2**	**5.4**
Income Tax Expense	(0.7)	(0.8)	(0.7)	(1.4)	(1.0)
Acquisition & Restructuring Costs After Tax	0.0	(0.4)	(0.4)	(0.1)	(0.8)
Statutory net profit / (loss) after tax	**1.0**	**1.3**	**1.6**	**3.7**	**3.6**
Underlying Earnings Per Share (in cents)	5.16	8.03	9.13	14.63	16.42
Share Price	0.91	1.64	3.90	6.38	5.17

Revenue
Operating revenue increased by 16% to $32.2mil with a 29% increase in recurring revenue to $29.5mil. Recurring revenue for entities in the group at 1 July 2021 increased 11% to $25.4mil and the acquired businesses added a further $4.1mil of recurring revenue.

Project revenue decreased 45% largely due to larger Europe based projects not being repeated in FY 2022.

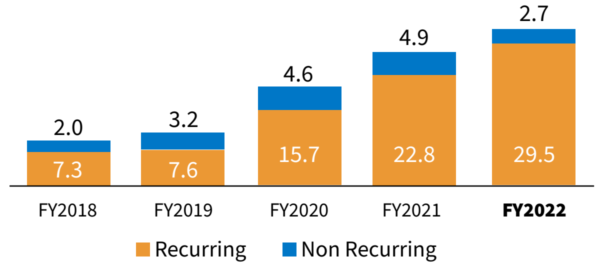
Adjusted Net Profit After Tax (NPAT)
Underlying NPAT (adjusted for acquisition and structuring costs) for FY22 increased by 18% on the prior comparative period (FY21) to $4.4mil.

Underlying NPAT is adjusted for any non-recurring items related to costs in acquiring businesses such as Egssis and CQ Energy and restructuring the resultant group and capabilities. In FY22, these adjustments exclude legal and accounting fees paid in relation to the acquisition of Egssis and CQ Energy and subsequent re-structuring and the transition to a new Chief Financial Officer (CFO).

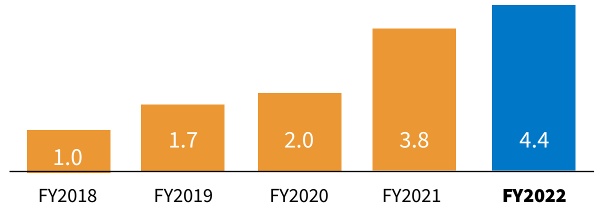
Underlying earnings per share were up by 12% from FY 2021. Underlying NPAT also included $0.434mil in Research and development claims recognised as a credit to tax expense in the UK. EPS was impacted unfavourably due to the approximately 1.2mil shares issued as part consideration for the acquisition of Egssis and CQ Energy during the FY2022 year with only part year earnings booked.

Dividends
The Board's dividend policy is to pay 40% of statutory NPAT as a dividend. This policy as well as underwriting of the dividend is reviewed by the Board each time a dividend is proposed. EOL paid a final dividend in FY2021 of 6.0 cents per share and has resolved to pay a final 6.0 cent per share dividend with respect to the FY22 year. The FY22 dividend will be paid on 20 October and is not underwritten.

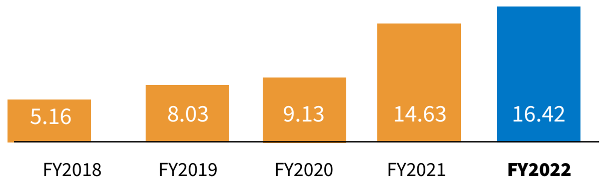
Revenue - Recurring / Non-Recurring ($'000)



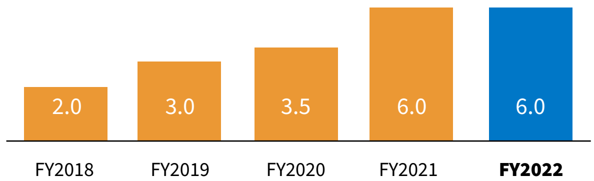
Adjusted NPAT ($'000)



Underlying Earnings Per Share (EPS) (cents)



Dividends Per Share (DPS) (cents)



Summary Income Statement For the Year Ended 30 June 2022

	FY2022	FY2021	Variance fav/(unfav)	
	$m	$m	$m	%
Operating and Other Revenue	32.4	27.9	4.5	16%
Operating Expenses	(23.1)	(19.8)	(3.3)	17%
Underlying EBITDA	**9.4**	**8.1**	**1.2**	**15%**
Depreciation & Amortisation	(3.7)	(2.8)	(0.9)	30%
Total Expenses	*(26.8)*	*(22.6)*	*(4.1)*	*18%*
Underlying EBIT	**5.6**	**5.3**	**0.4**	**7%**
Net Interest Expense	(0.2)	(0.1)	(0.1)	100%
Underlying Profit Before Tax	**5.4**	**5.2**	**0.2**	**5%**
Tax expense	(1.0)	(1.4)	0.4	(30%)
Underlying Profit After Tax	**4.4**	**3.8**	**0.7**	**18%**
Acquisition & Restructuring Costs After Tax	(0.8)	(0.1)	(0.7)	Large
Statutory Profit After Tax	**3.6**	**3.7**	**(0.1)**	**(3%)**
Statutory Earnings Per Share (cents)	13.50	14.41	(0.9)	(6%)
Underlying Earnings Per Share (cents)	16.42	14.63	1.8	12%
Dividend Per Share (cents)	6.0	6.0	0.0	0.0%

Operating Revenue

Operating Revenue increased 16% to $32.2mil compared to FY21, assisted by acquired revenue. Organic growth increased by 11% to $25.4mil versus FY2021.

Key items of Operating Revenue

- **Licences (recurring)** revenue is earned from the provision of software as a Service (SaaS) basis to customers. Licence revenue increased 13% ($2.2mil) to $18.6mil. This increase was attributable to the existing business with Egssis NV and CQ Energy revenue being predominantly reported in support, hosting and other services.

- **Project Implementation** is earned from the implementation and customisation of software and operational services and is typically non-recurring. Project Implementation decreased by 45% ($2.2mil) to $2.7mil. This decrease was due to reduced large project work in a travel-constrained market compared to the prior year. Implementation revenue from Egssis and CQ Energy added $0.3mil. CQ Energy also generates revenue from brokerage services and energy advisory services, and is not considered recurring and is therefore included as project revenue.

- **Support, Hosting and Other Services (recurring)** is earned from the provision of software hosting and recurring operational services such as "software with a service" provided by eZ-nergy and Egssis. Revenue from these activities increased by 54% ($3.5mil) to $9.9mil and this increase was primarily attributable Egssis.

- **Operations support and advisory (recurring)** is earned from the provision of operational services by CQ Energy. This income was $1.0mil for the period of EOL ownership.

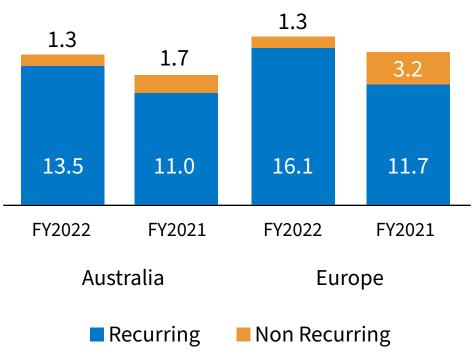
	FY2022 $m	FY2021 $m	Variance fav /(unfav) $m	%
Licences (recurring)	18.6	16.4	2.2	13%
Support, hosting and other (recurring)	9.9	6.4	3.5	54%
Operations support (recurring)	1.0	0.0	1.0	0%
Project Implementation	2.7	4.9	(2.2)	(45%)
Total Operating Revenue	**32.2**	**27.7**	**4.5**	**16%**

Revenue Type By Segment

The Group continues to focus on building the recurring revenue base and reducing reliance on less predictable project implementation revenue.

Recurring revenue for FY22 was 92% versus 82% in FY21. This increase is driven by the acquisition of Egssis and CQ Energy. In addition there were large implementation contracts in Europe that were not repeated in FY22.

Recurring Revenue By Year



Total Expenses

Operating Expenses (excluding acquisition and structuring costs but including depreciation & amortisation) increased 19% to $27.0mil against the prior comparative period being FY21. Excluding the impact of acquisitions expenses increased 4% to 23.5mil.

Expense Items

- Staff costs increased 7% to 15.3mil due to the acquisition of Egssis and CQ Energy. Otherwise staff costs in the remaining group were effectively flat.
- Direct projects costs increased 42% to $2.4mil with the cost resultant from increased IT platform costs in the existing business as well as through the two acquisitions.
- Finance charges increased 144% to $0.2mil due to the $30mil NAB Facility. The NAB Facility has an interest component of Bank Bill Swap rate plus a margin as well as a facility line fee based on total available credit. Further information with respect to the NAB Facility is contained within the notes to the accounts and specifically Note 16 – Borrowings.
- IT expenses increased by 39% to $0.7mil due to increased investment in the group's IT platforms in the existing businesses. This additional investment is consistent with EOL's IT platform strengthening in general.
- Other expenses increased 41% to $1.8mil. The increase was partially due to acquisitions as well as in the existing business with travel costs increasing in line with historic levels.

Operating Expenses

Expense Items continued

- Depreciation and amortisation increased 30% to $3.7mil. Of this increase $0.3mil attributable to the existing business and $0.6mil from the amortisation of acquired intangible assets including brand, software and customer contracts for Egssis and CQ Energy Group.

	FY2022	FY2021	Variance fav /(unfav)	
	$m	$m	$m	%
Staff	15.3	14.3	(1.0)	(7%)
Direct Project Costs	2.4	1.7	(0.7)	(42%)
Consulting Expenses	1.9	1.3	(0.6)	(50%)
Finance Charges	0.2	0.1	(0.1)	(144%)
Insurance	0.5	0.3	(0.2)	(65%)
IT Expenses	0.7	0.5	(0.2)	(39%)
Accounting Fees	0.4	0.3	(0.1)	36%
Other Expenses	1.8	1.3	(0.5)	(41%)
Operating Expenses & Interest	**23.3**	**19.8**	**3.5**	**18%**
Depreciation & Amortisation	3.7	2.9	(0.9)	(30%)
Total Adjusted Expenses	**27.0**	**22.6**	**4.4**	**19%**
Acquisition & Structuring Costs	0.8	0.1	(0.7)	(700%)
Total Expenses	**27.8**	**22.7**	**5.1**	**22%**

Capital Expenditure in software improvement

EOL's investment in improvement and development of new and existing software was 14% of revenue which is consistent with prior years given the increase in turnover and product range of the business. This investment reflects the capitalised development of additional functionality such as the move to five-minute settlement market in Australia.

Developed software is amortised over a ten-year period.

Financial Position

At 30 June 2022 the net assets of the Group were $34.2mil an increase of 48% from FY21.

	30 June 2022	30 June 2021	Variance fav /(unfav)	
	$m	$m	$m	%
Assets				
Cash and cash equivalents	3.3	5.4	(2.1)	(39%)
Trade and other receivables	4.9	4.4	0.5	12%
Property, plant and equipment	0.4	0.2	0.2	99%
Lease right-of-use asset	3.5	2.7	0.8	31%
Software development	19.2	15.7	3.5	22%
Intangible assets	52.9	8.9	44.0	Large
Other assets	2.9	2.0	0.9	43%
Total Assets	**87.1**	**39.3**	**47.8**	**122%**
Liabilities				
Trade and other payables	4.5	3.3	(1.2)	(38%)
Lease liabilities	3.7	2.9	(0.8)	(29%)
Borrowings	26.9	0.0	(26.9)	0%
Deferred Consideration	5.1	0.8	(4.3)	(538%)
Income tax payable	0.0	1.2	1.2	100%
Contract liabilities	4.8	4.7	(0.1)	(1%)
Employee provisions	1.9	1.4	(0.5)	(33%)
Deferred tax liability	6.0	1.8	(4.2)	(233%)
Total Liabilities	**52.9**	**16.1**	**(36.8)**	**(229%)**
Equity				
Contributed equity	29.8	19.8	10.0	50%
Reserves	0.1	1.0	(0.9)	(90%)
Accumulated profits / (losses)	4.4	2.4	2.0	82%
Total Equity	**34.2**	**23.2**	**11.1**	**48%**

Financial Position continued

Cash
Cash balances decreased 39% to $3.3mil as a result of cash being cleared into the NAB Facility. At balance date $2.4mil was available for redraw.

Trade Receivables
Trade and other receivables increased 12% ($0.5mil) to $4.9mil. Receivables for acquired entities comprised $1.1mil with existing business receivables decreasing $0.6mil v FY2022 due to the successful completion of large implementation projects in Europe.

Software and Intangible Assets
Software and intangible assets increased by $47.5mil primarily due to the acquisition of Egssis for $7.3mil and CQ Energy for $36.6mil.

The acquisition of Egssis resulted in the $2.0mil of developed software, $0.7mil of customer contracts and $4.7mil of Goodwill being recognised in the balance sheet.

The acquisition of CQ Energy has been accounted for on a provisional basis with the purchase price allocated to customer brand $1.851mil and customer contracts of $12.1mil with the remainder general Goodwill pending finalisation of the acquisition accounting.

Trade and Other Payables
Trade and other payables have increased by 38% to $4.5mil which is primarily due to the trade and other payables of Egssis and CQ Energy.

Borrowings
EOL executed a three-year debt finance facility with NAB on 11 April 2022. This facility comprises a $20mil amortising term debt facility ($0.625mil per quarter repayments) and a $10mil line of credit (interest only).

Interest is payable in arrears on a 3,4 or 6 months basis and includes an interest component and line fee. Interest is based on the Bank Bill Swap rate plus a margin. At balance date the combined interest and facility fee rate applied to the loan was 3.17%.

The proceeds of the NAB facility were used to settle the $30.0mil cash consideration and working capital of $0.5mil payable to the sellers of CQ Energy on completion. Completion occurred on 26 April 2022.

Deferred Consideration
Deferred Consideration represents amounts payable to the sellers of Egssis and CQ Energy and is payable on a specified date and is not subject to any conditions relating to payment. Two payments of EUR 500k (EUR 1mil in total) are payable to the sellers of Egssis in November 2022 and May 2023. Two payments of $1.8mil ($3.6mil in total) are due to the sellers of CQ Energy in October 2022 and April 2023.

Contributed Equity
Contributed equity has increased by 50% to $29.8mil. The increase results from the Group's capital management policies that encourage staff, acquired business owners and existing EOL shareholders to acquire or increase their equity in EOL.

The sellers of Egssis (EUR 750k / 212,833 shares) and CQ Energy ($6.0mil / 981,999 shares) received a material component of the sale consideration in the form of EOL equity. The number of shares received is based on the average trading price in the period leading up to the announcement of Share purchase Agreement.

In addition to the consideration shares detailed above Energy One Limited (EOL) staff were issued 282,925 shares ($1.1mil) through the Group's staff share plans. The DRP was fully underwritten and resulted the issue of 239,983 ($1.5mil) shares. Underwriting of the Group's dividend provided the dual benefits of maintaining liquidity and allowing institutional investors access to EOL equity. The Group's position in relation to dividends and underwriting is further detailed under the Dividend section of this report.

EOL's strategy is fourfold in terms of:

1. Developing new and innovative products for businesses operating in or servicing the energy sector
2. Extending existing product reach through product enhancement to address needs of new segments of the energy market
3. Acquisition of businesses that complement and extend existing EOL capabilities
4. Extending and growing the capability of energy trading services including a move to 24×7 follow the sun customer support

With respect to acquisitions and financing EOL will continue to utilise a mixture of debt and equity finance with equity finance including equity issuance to existing and potential investors as well as by way of equity-based consideration to vendors.

Energy Trading Software

Energy trading software allows our customers to operate in an efficient and compliant manner to maximise profitability and appropriately identify and manage associated risks. Our products include the following capabilities:

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

EOL has a number of software applications and they are summarised by function below.

Energy (power and gas) balancing, scheduling and nomination

eZ-Ops, enTrader and enVoy are trading solutions focused on automating physical gas and power logistics and short term portfolio balancing within Europe / UK. Algorithmic energy trading, energy position management, gas and power nominations and power generation scheduling are part of the key functionalities. eZ-Ops in particular is highly scalable with a rapid implementation and suits smaller scale operations. The products provide pan-European energy trading, balancing and scheduling solutions for customers relatively small in scale to those with a complex, multi-national energy portfolio.

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

Energy Trading & Risk Management Software (“ETRM”)

Trading and risk management systems to a large extent represent the foundation of the EOL business and still form a key part of the product set.

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

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

Gas Transmission scheduling and billing

For TSOs (gas and power) the need to receive trade orders from customers is a mission-critical activity - as is the scheduling, messaging, reconciliation and settlement (billing) of those shipments.

For Australasian gas, pypIT is a leading platform, serving 40% of Australia's bulk gas transmission and used by several of Australia's blue-chip infrastructure companies. For smaller-footprint TSOs (and storage suppliers), enFlow provides an economical solution that can be tailored for local business processes.

Energy Market Analytics – NemSight

Energy trading, data and reporting analytics are all-important in energy trading. EOL offers reporting tools to enable customers to rapidly analyse and report trading positions across their derivatives and environmental hedge books. NemSight is the most popular analytics system in the Australian market.

Operational Trading Services

Operational trading services sees EOL take on the role of energy trader in line with the relevant customers trading parameters and delegations. Smaller scale generators and market participants typically lack the expertise and scale to manage complex 24×7 operations allowing EOL to provide a specialist and highly value adding service. The fragmentation of the energy market and particularly generators as the renewable transition occurs uniquely positions EOL to service this rapidly growing customer base with both software and services.

The acquisition of both Egssis and CQ Energy significantly expands region-based capability and lays the foundation for a global based service offering whereby follow-the-sun operational support is available.

Operational services provided includes:

- Bidding scheduling and dispatch services for electricity
- Managing day to day nominations for gas supply agreements and gas transportation agreements
- Control rooms services where EOL manages plant operations eg. turbine control

Consulting and Brokerage

With the fragmentation of the energy market and number of new entrants EOL's expertise is frequently required with respect to how generators should structure their operations and sell their energy into the market. For market participants managing outages and weather events is of vital importance particularly in the case of renewable based participants. The addition of CQ Energy provides EOL with the expertise to advise participants and broker appropriate risk instruments on behalf of customers. In an environment of energy uncertainty and pricing volatility these specialist services are in high demand and include:

- Supporting customers investment cases and strategy including supply agreements
- Advisory with respect to managing generator supply and energy retailer risks using specialist weather based and other risk instruments

CORPORATE GOVERNANCE

BOARD OF DIRECTORS

Andrew Bonwick
Independent, Non-Executive Director
B App.Sc.; M Comm

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

Mr Bonwick was appointed director on 27 October 2006 and is the current Board Chairman. Mr Bonwick is also a member of the Risk & Audit Committee as well as the Remuneration Committee.

Ian Ferrier
Independent, Non-Executive Director
FCA

Mr Ferrier has over 40 years experience in corporate recovery and turnaround practice. Mr Ferrier is also a director of a number of private companies. He is also a fellow of The Institute of Chartered Accountants in Australia.

Mr Ferrier was appointed director on 28 November 1996.

Vaughan Busby
Independent, Non-Executive Director
B.Pharm; MBA (IMD business School Switzerland)

Mr Busby is a director of Energy Queensland, Australia's largest energy company, the Chairman of ASX listed SciDev and Chairman of Netlogix Australia Ltd. Previously Mr Busby was the Managing Director of HRL Morrison & Co Australia and the founding CEO of Energy One.

Mr Busby was appointed director on 27 May 2005. Mr Busby is currently Chairman of the Audit & Risk Committee as well as a member of the Remuneration Committee.

Ottmar Weiss
Independent, Non-Executive Director
BA (accounting); FCPA; CTA

Mr Weiss has over 35 years experience in finance, commercial property, banking, and risk management, as well as being a qualified accountant and registered Tax Agent. Previously, Mr Weiss worked at Macquarie Bank. Mr Weiss is also a director of a number of private companies.

Mr Weiss has advised his intention to retire from the Board of EOL. Mr Weiss was due for re-election at the FY2022 AGM in line with the requirements with respect to rotation of directors, but has notified the Company that he will not be seeking re-election.

Shaun Ankers
Chief Executive Officer / Non-independent Director
BSc (Hons), GradDip Mgt

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

Mr Ankers was appointed director on 22 June 2010. Mr Ankers is also a member of the Risk & Audit Committee as well as the Remuneration Committee.

Guy Steel
Company Secretary
BBus (Accounting), MISM, CA

Mr Steel has served as Deputy CFO of GSG Ltd an ASX listed technology company and also held roles as Interim CFO of software company MYOB. Mr Steel also spent seven years as Asia Pacific CFO of Wex Inc. a US listed fintech. Mr Steel has over 30 years of senior finance and accounting experience.

Mr Steel was appointed company secretary on 28 June 2021 and also acts as the Group Chief Financial Officer.

Corporate Governance Statement

EOL is committed to maintaining and promoting high standards of corporate governance. At EOL we believe strong governance enables strong business performance and retains the confidence of our stakeholders - including shareholders, customers, employees and regulators.

For EOL corporate governance means the structures for accountability and the framework of rules, relationships, systems and processes within and by which authority is exercised and managed within our company. This report outlines EOL's principal governance arrangements and practices and is current at 23 September 2022. The EOL Board have approved this statement and its committees periodically review EOL's governance arrangements and practices to ensure they are in line with regulatory requirements and developments as well as stakeholder expectations.

EOL's governance arrangements are typically consistent with the fourth edition of the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (Principles and Recommendations) throughout the reporting period unless otherwise noted. EOL is a comparatively small company and as such in limited instances governance principles may not be practically feasible to adopt or implement.

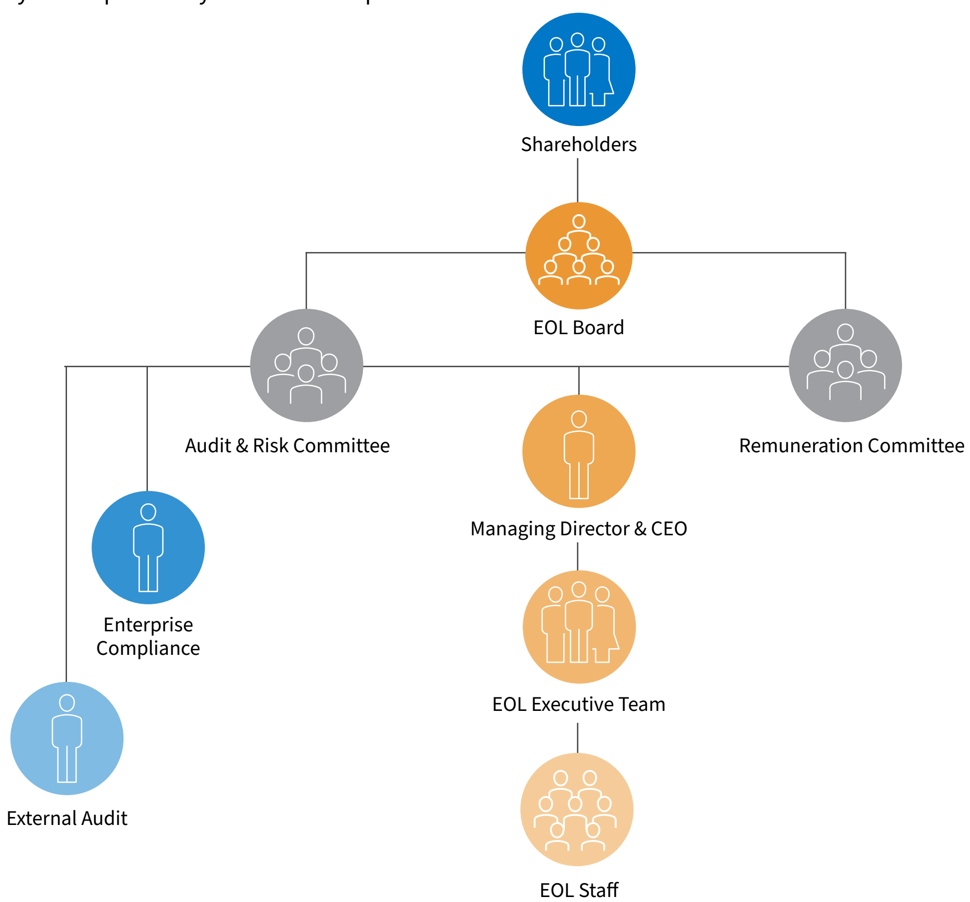
EOL makes a number of policies publicly available to provide our investors and other stakeholders with a greater understanding of EOL's governance framework and practices. The policies that are publicly available include those listed below and can be found at: https://www.energyone.com/investors/:

Board Charter
- Code of Conduct
- Share Trading
- Continuous Disclosure
- Audit & Risk Committee Charter
- Anti Bribery & Corruption
- Whistleblower

Lay solid foundations for management and oversight

EOL operates a software, services and advisory business specialising in solutions for the Energy market and particularly renewable energy generators and retailers.

The diagram below summarises EOL's corporate governance framework:



Board Charter
The EOL Board are appointed and operate in accordance with the Board Charter that sets out the roles and responsibilities of its Board and management including matters reserved to the Board and those delegated to management. The Board Charter is available at EOL's website.

The Board has delegated matters to management via formal delegation of authorities document that includes financial and other limits. The Managing Director and CEO (CEO) has been delegated authority for matters that are not reserved to the Board or delegated to the Board Committees.

The CEO's responsibilities include (but are not limited to):

- Executing to the Board's strategy and objectives
- Leading and embedding the EOL culture within the group
- Ensuring the group operates in a disciplined and compliant manner at all times
- Updating and keeping the Board informed with respect to group performance against the strategy and objectives

The CEO is supported by executives who regularly attend and present at Board meetings. The CEO has determined delegations to executives who report to him.

The EOL Board Charter and the biographies of EOL Directors and the Company Secretary are available on EOL's website at https://www.energyone.com/investors/.

Director Appropriateness
The EOL Board have not appointed Directors in the reporting period. In the case of appointment the Directors would follow a process for Director recruitment where applicable that includes an external assessment of skills and capabilities as well as appropriate probity checks. Director's eligible for re-election are presented to shareholders with a description of their background and achievements whilst a Director of EOL.

Director Agreements
Directors are appointed with a formal written agreement at the time of appointment.

Company Secretary
The Company Secretary is accountable directly to the Board, through the Chairman, on all matters to do with the functioning of the Board. The Board appoints the Company Secretary with their role set out in the Board Charter. Mr Guy Steel is EOL's company secretary and further details with respect to Mr Steel are included at page 17.

Diversity
The Group does not have a diversity policy however it recognises that diversity is a critical aspect of effective management of its people and their contributions to the success of the Group. This diversity is reflected in the differences in gender, race, age, culture, education, family or career status, religion and disability which is found across the Group. With regard to the relatively small number of staff at present, the Board does not consider it necessary to establish a policy concerning diversity or maintain measurable objectives at this time.

The Parent Company (including controlled entities located in Australia) employs less than 100 staff in Australia and is not a "relevant employer" under the Workplace Gender Equality Act.

The entity has not been in the S&P / ASX 300 Index at any time.

Performance Assessments of Board and Management
The Board and directors are appointed in writing setting out the terms of their appointment and undergo regular informal performance reviews by way of discussions with the Board Chair which may be formally documented in some instances. The Board do not disclose the content or outcome of these reviews.

The CEO and EOL's Executives have written agreements setting out their employment terms. The agreements are between EOL and the Executives personally. The Board assesses each executive's performance on an annual basis. The process for evaluating Executive performance and remuneration is set out in the Remuneration Report on pages 25-30. Performance evaluations for the CEO and EOL's Executive took place in FY22 in accordance with the process disclosed in the Remuneration Report.

Structure the Board to be effective and add value

The EOL Board is committed to promoting long-term value creation and is accountable to shareholders for the performance of the group. EOL's Constitution and Board Charter governs the Board's conduct. The role of the Board is to provide leadership, guidance and oversight for EOL and its related bodies corporate. The Board's responsibilities include defining the EOL Group's purpose and setting its strategic objectives, approving the annual budget and financial plans, approving the EOL's Group's statement of values and code of conduct, setting EOL's risk strategy and risk appetite, and appointing the Managing Director and CEO. The Board oversees the EOL Group's performance and progress against strategic objectives, including for consistency with EOL's risk management strategy and risk appetite.

Nomination Committee
Directors are nominated and appointed based on recommendation and approval by the Board. Based on EOL's relative size and number of directors a separate nomination committee has not been formed as these matters are addressed by the main Board.

Nomination Committee continued

In selecting directors, the Board takes into consideration the necessary skills to deliver EOL's strategy and the Board's current mix of skills. The Board does not maintain a formal skills matrix however considers Board member expertise with reference to the capabilities required by the EOL Group at the relevant point of consideration. Candidates are selected based on their level of skill, knowledge and experience that enables the Board to discharge its responsibilities effectively. The selection process also aims to achieve an appropriate mix of skills, expertise, experience and diversity.

Directors are appointed under a separate letter which states the expectations and manner in which they are to perform their role. Group policies such as the Code of Conduct also apply to directors ensuring expectation and behaviours are consistent across the group. Director's excluding the CEO must stand for re-election each three years and are not automatically re-elected. In accordance with this policy Mr Ottmar Weiss will retire at the next Annual General Meeting and will stand for re-election.

Where a new director is appointed the Board will determine an appropriate induction and onboarding process.

Skills Matrix

The Group has informal process to review the Board skills at Board meetings without having a defined board skills matrix. The Board benefits from the combination of Directors' individual skills, experience and expertise in particular areas, as well as the varying perspectives and insights that arise from the interaction of Directors with diverse backgrounds. Board skills include the following:

- Executive leadership – CEO or senior executive in large and complex organisations
- Energy market participation – extensive experience from both a generation and retailing perspective
- Business strategy – experience in defining strategic goals and executing a plan to realise these goals
- Financial services – experience in financial services including investment banking
- Risk and compliance – experience in establishing risk management frameworks and tracking effectiveness
- People and Culture – experience in attracting / retaining key talent and developing and overseeing culture
- Financial acumen – experience in establishing financial frameworks and performance monitoring

The Directors believe the skill base of the current Directors is appropriate and adequate for the Group given its present size and stage of development.

Board Composition

The Board currently comprises of five directors with four independent directors and one executive director being the CEO.

The names of each director, their tenure and qualifications are provided on page 17. Director biographies are also published on EOL's website at https://www.energyone.com/investors/.

Chairman

The Board Chairman is Mr Andrew Bonwick an independent non-executive director. Mr Bonwick was appointed Director on 27 October 2006. Mr Bonwick was elected Chairman by his fellow directors on 18 April 2019.

The Chairman's role is to lead the Board and his responsibilities include chairing Board meetings and facilitating open and effective discussions at those meetings (including with management). The Chairman also serves as the primary link between the Board and management. The Chairman's role and responsibilities are set out in the Board Charter. The roles of the Chairman and CEO are separate and are not performed by the same person. The CEO may not become the Chairman although the Chairman may assume the temporary role of CEO where business requirement necessitates this.

Director independence and length of service

Four of the five Board members are independent directors and have not been employed by the EOL group within the last three years. The Board is chaired by Mr Bonwick who is an independent director with the Group CEO Mr Ankers, a non-independent director. On this basis a majority of directors on the main Board and each sub-committee are independent. The independent directors are remunerated based on their role on the main Board as well as committee membership.

Remuneration is received in the form of an annual fee as well as receipt of share rights and is currently allocated 50/50 into these components. Share rights vest based on the director remaining as a member of the Board for a defined period and do not have any performance-based conditions. Further detail in respect of director remuneration, share rights and equity holdings is included at **Remuneration Report – Audited**

The Group views that although a Director is a substantial shareholder they are deemed to be "independent" if they are independent of management and free of any business or other relationship that could materially interfere with, or could reasonably be perceived to materially interfere with, the exercise of their unfettered and independent judgment.

Director independence and length of service continued

Where the independence status of a director changes, the Group will provide immediate notification of such change to the market. The Board regularly assess whether each non-executive director is independent.

Directors' independence and the length of service of each Director is reported within this governance statement at **Board of Directors**. Although all Directors have served on the Board for over 10 years, The Group does not consider this to be a compromise on independence.

The Group has an established program for the induction of new Directors. This induction covers all aspects of the Group's operations including the provision of information and meetings with relevant Senior Executives so as to ensure that new Directors are able to fulfil their responsibilities and contribute to Board decisions.

The Directors, the Board and the Board Committees may seek professional development, as considered necessary, at the Group's expense, with the consent of the Chairman and assistance of the Company Secretary. If appropriate, any resources received will be made available to all Directors.

Conflicts of Interest

Directors are required to declare any conflicts of interest at each Board meeting and any conflicts are recorded in the minutes of the meeting.

Where a director has an actual or perceived conflict of interest the director will remove themselves from relevant discussions and any subsequent voting.

Alignment of Board Interests with Shareholders

The alignment of directors and shareholder interests is reinforced through each director receiving approximately half of their remuneration in the form of EOL shares. All directors including the CEO maintain material shareholdings further emphasising their alignment to overall EOL interests.

Attendance at Board and committee meetings

Details of director attendance at Board and Committee meetings in FY22 are set out below. Provided there is no conflict of interest, directors are also invited to, and frequently attend as observers, meetings of Board Committees of which they are not members. The CEO is not present for Remuneration Committee discussion on their remuneration.

Director	Main Board		Audit Committee		Risk Committee		Remuneration Committee	
	Attended	Held	Attended	Held	Attended	Held	Attended	Held
Andrew Bonwick	8	8	2	2	1	1	1	1
Shaun Ankers	8	8	2	2	1	1	1	1
Ian Ferrier	8	8	NA	NA	NA	NA	1	1
Ottmar Weiss	8	8	2	2	1	1	1	1
Vaughan Busby	8	8	2	2	1	1	1	1

Instil a culture of acting lawfully, ethically and responsibly

Energy One has clearly defined and understood corporate values that focus on acting in an ethical manner that benefits all of our stakeholders. Our specific values and objectives are:

- delivering quality, value-for-money solutions for our customers
- acting ethically and with integrity in our dealings with customers, suppliers and each other
- building a happy, collaborative and rewarding workplace for our employees
- sharing our growth and success with the team who help create it via profit-share and an employee share-ownership scheme
- delivering continuous, sustainable profitable growth and opportunity for our shareholders

These values and objectives are included as part of employee / Director induction and form a part of ongoing performance management considerations.

The Board, in recognition of the importance of ethical and responsible decision-making has adopted a Code of Conduct for all employees and Directors, which outlines the standards of ethical behaviour and is essential to maintain the trust of all stakeholders and the wider community. The Code of Conduct is published on EOL's website.

The Group's Securities Trading Policy specifically prohibits Directors, officers and employees from entering into transactions or arrangements which limit the economic risk of unvested entitlements under an employee share scheme. The share trading policy is published on EOL's website.

EOL has a formal whistleblower policy that seeks to seeks to identify and assess any wrongdoing as early as possible. EOL's values support a culture that encourages staff to speak up on matters or conduct that concerns them. This policy provides information to assist staff to make disclosures and sets out how EOL will protect them from any form of retaliation or victimisation when they make a legitimate whistleblowing disclosure. The policy is published on EOL's website.

EOL has a formal anti bribery and corruption policy which details how staff should conduct themselves when receiving gifts and benefits. The policy is published on EOL's website.

Safeguard the Integrity of Corporate Reports

EOL believes that accurate and timely corporate reporting underpins effective risk management and is key effective governance and executing EOL's strategy. The Board is responsible for overseeing that appropriate monitoring and reporting mechanisms are in place. It is supported in this regard by the Audit and Risk Committee.

Audit and Risk Committees

The role of the Audit and Risk Committees in safeguarding the integrity of EOL's corporate reporting includes reviewing EOL's financial reports and the adequacies of the Group's corporate reporting processes. Additional information on the role and responsibilities of the Audit and Risk Committees is contained in the Audit & Risk Committee Charter published on EOL's website at https://www.energyone.com/investors/.

Membership of the Committee and the number of times the Committee met in FY22 are detailed on page 21.

Integrity of the financial report

The Chief Executive Officer and the Chief Financial Officer are required to make a declaration in accordance with section 295A of the Corporations Act that the Group's financial reports present a true and fair view in all material respects of the Group's financial condition and operational results and are in accordance with relevant accounting standards, and to provide assurance that the declaration is founded on a sound system of risk management and internal control, and that the system is operating effectively in all material respects.

External Auditor

The policy of Energy One and the Audit Committee is to appoint an external auditor, which clearly demonstrates quality and independence. The performance of the external auditor is reviewed and assessed annually. Should a change in auditor be considered necessary a formal tendering process will be undertaken. The Audit Committee identify the attributes required of an auditor and ensure the selection process is sufficiently robust so as to ensure selection of an appropriate auditor.

Period corporate reports

Periodic Corporate reports are subject to either formal audit or review. Other materials and reports disclosed to the market are reviewed and approved by the Board.

Make timely and balanced disclosure

Continuous disclosure

EOL is committed to providing shareholders and the other stakeholders with equal access to material information about its activities in a timely and balanced manner. The Board of EOL has adopted a continuous disclosure policy that sets out the responsibilities and process to achieve these objectives.

EOL run a number of investor briefing sessions which are typically open for anyone to attend. Where information is being presented in a session that has the potential to be market sensitive information this will be released prior to

Continuous disclosure continued

these briefing sessions on the ASX Market Release Platform (MAP).

Where EOL makes announcements via MAP these ere typically approved by either the Board or Board Chairman with copies of all announcements made provided to Directors following release. In limited circumstances the CEO is authorized to make market announcements to ensure that EOL's continuous disclosure obligations are met on a timely basis. In these circumstances the Board will at the earliest possible time consider the announcement and release any further information as required.

Investor Presentations
EOL from time to time updates investors with respect to company operations, strategy and performance. These presentations are lodged with the ASX MAP prior to being presented to any individual groups.

Respect the Rights of Security Holders

Shareholder engagement and provision of information
The Group provides information about itself and its governance to investors via its website and has a "Corporate Governance" landing page where all relevant corporate governance information can be accessed.

The Group website also includes links to copies of its recent annual reports and financial statements; copies of its ASX announcements; copies of Notices of Meetings, as well as an overview of the Group's business activities in appropriate areas of the website.

Investor engagement
The Board aims to ensure that the shareholders are informed of all major developments affecting the Group's state of affairs. As per the continuous disclosure requirements in the ASX listing rules, Energy One Limited will immediately disclose any information that a reasonable person would expect to have a material effect on the value of our securities.

The Board seeks to inform shareholders of all major developments affecting the Group by allowing investors and other financial market participants to gain a greater understanding of the entity's business, governance, financial performance and prospects.

The Group's main objectives are for concise communication and easy access to information. Information is communicated to shareholders and stakeholders through a range of mediums, including:

- ASX announcements
- Annual Report, which is available in hardcopy, electronically and online
- Presentation of full year reports
- the Group's Annual General Meeting (AGM). Information related to the AGM are available on the Group's website and announced to the ASX
- General investor and analyst briefings
- the Group's website is regularly updated

Annual General Meeting
The Board encourages the full participation of shareholders at its annual general meetings and welcomes questions from shareholders on relevant issues. EOL also provides either video conferencing or audio facilities for meetings so that interested parties who cannot physically make meetings can participate.

Energy One will request the External Auditor to attend the annual general meeting to be able to answer shareholder questions about the conduct of the audit and the preparation and content of the Auditors report.

At all meetings of security holders from 1 January 2020, voting on resolutions at meetings of shareholders is decided by a poll either by proxy or in person. The Board provides and encourages investors to register for electronic voting to ensure their vote is correctly captured and counted.

Shareholder communications
Shareholders who have made an election receive communications including the Group's Annual Report on the Group's website or by email. The Group has the capability to communicate with shareholders electronically through its website, email communications and via the share registry. Electronic contact details are provided on the Group's website.

EOL has published a statement with respect to the "Right to receive Documents" under section 110K of the Corporations Act 2001 (Cth). This statement is available to shareholders at **https://www.energyone.com/wp-content/uploads/2022/06/RighttoReceiveDocuments.pdf.**

Recognise and Manage Risk

Audit and Risk Committee
The Audit & Risk Committees determines the Group's "risk profile" and is responsible for overseeing and approving risk management strategy and policies, internal compliance and internal control.

Audit and Risk Committee continued

The main responsibilities of the Audit & Risk Committees are:

- to establish a sound system of risk oversight and management and internal control under which EOL can identify, assess, monitor and manage risk
- to inform the Board of material changes to the risk profile of EOL and maintain appropriate risk management practices and systems throughout the operations of EOL

- These functions include but are not limited to:
  - Ensuring EOL's senior executives adhere to any monitoring program set down by the Risk Committee
  - Identifying any un-hedged exposure and the rationale for such a position
  - Ensuring appropriate risk limits are set and adhered to

The Audit & Risk Committees members are all required to possess sufficient technical expertise and industry knowledge to fulfill the functions of the Committee. It is composed of at least three members, the majority of whom are independent, and it is chaired by a Mr Vaughan Busby a Director who is deemed to be independent. Details of the relevant qualifications and experience of the members of the Committee and the number of times the Committee met are detailed within the Annual Report at section **Board of Directors**. Meetings of the Committee are typically delineated as either a Risk or Audit meeting to align to the relevant subject matter.

Regularly review the risk framework
Management report to the Board on the effectiveness of the Group's material business risks.
The risk management framework is reviewed at least annually by the Audit & Risk Committees and has been reviewed for the current financial year. Where risks are identified and require the attention of the Board these are presented by the appropriate management team member either at a formal Board meeting or alternately by a specific meeting.

Internal audit function
The Group does not have a formal internal audit function and this is based on organization size and complexity. The Group's Management periodically undertake an internal review of financial systems and processes and where systems are considered to require improvement these systems are developed. Authority delegations are reviewed annually by the Audit & Risk Committees.
Exposure to environmental and social risks
The Board is regularly briefed by management and involved in discussions in relation to material exposure to economic, environmental and social sustainability risks facing the Group.

Energy One provides software and services to participant in energy markets within Australasia and Europe / UK. These energy markets have a variety of generation sources including "thermal" generators utilising coal and gas. The EOL strategy and particularly operational services strongly support renewable generators and are driving EOL's recurring revenue growth. Whilst thermal generation remains a component of energy markets EOL will continue to serve these customers who typically are also transitioning to renewable generation. These customers will continue to be valuable EOL customers and we are well positioned to support our customers as they move through the transition.

Remunerate fairly and responsibly

Remuneration Committee
EOL operates in a dynamic and completive market and seeks to attract and retain senior executives that provide capabilities to best deliver EOL's strategy. The Remuneration committee reviews and makes recommendations on Director and senior executive remuneration and overall staff remuneration and incentive policies.

The main responsibilities of the Remuneration Committee are:

- Non-executive director remuneration.
- Staff incentive plans including bonus, share and option plans.
- Salary, benefits and total remuneration packages of the Chief Executive Officer and senior executives.
- Employee succession planning.
- Review and approve the Chief Executive Officer's recommendation for annual salary for employee salary reviews.
- The Group's recruitment, retention and termination policies and procedures for Chief Executive Office and senior executives.
- Report on executive remuneration, which is required pursuant to any Listing Rule or legislative requirement or which is proposed for inclusion in the annual report.

The Remuneration Committee is composed of four Directors including the CEO, three of whom are independent or deemed independent and it is chaired by Mr Ottmar Weiss an independent non-executive Director. Details of the relevant qualifications and experience of the members of the Committee and are available on the EOL website at Board of Directors. The Remuneration Committee meets formally once per year and on an informal basis as required from time to time. Further Details of Committee meetings are also included at **Attendance at Board and committee meetings**
The remuneration policies of the Group in respect of Directors' and senior executives are detailed in the Remuneration Report contained within this Annual Report.

Equity incentive plan
The Group has an "Energy One Equity Incentive Plan", which is approved by Shareholders every three years at the relevant Annual General Meeting. A summary of the policy was included in Information provided to shareholders at the 2020 Annual general Meeting.

REMUNERATION REPORT - AUDITED

This Remuneration Report details the performance and remuneration of Key Management Personnel (KMP) for FY22. KMP is defined as persons having authority and responsibility for planning, directing and controlling the activities of an entity, directly or indirectly.

The KMP comprises:

- Non-executive directors of EOL Limited
- The CEO and members of the executive team who are accountable for managing critical business activities, financial control or risk functions (collectively termed Executives)

The Directors and Executives covered by this report are detailed below along with the notice period required by the relevant KMP to provide EOL with resignation notice:

Name	Role	Date Appointed	Notice Period	Term as KMP
Non Executive Directors				
Andrew Bonwick	Non-executive director	27 Oct 2006	NA	Full year
Ian Ferrier	Non-executive director	28 Nov 1996	NA	Full year
Ottmar Weiss	Non-executive director	23 Apr 2007	NA	Full year
Vaughan Busby	Non-executive director	27 May 2005	NA	Full year
Executive				
Shaun Ankers	Managing Director and Group Chief Executive Officer	22 Jun 2010	12 Months	Full year
Guy Steel	Chief Financial Officer & Company Secretary	04 Jan 2022	2 Months	Appointed 28 June 2021 on an interim basis and permanently 4 January 2022
Daniel Ayers	Chief Executive Officer – Australasia	13 Jan 2009	1 Months	Full year
Simon Wheeler	Chief Executive Officer – Europe	09 Oct 2018	3 Months	Full year

Remuneration policy

Energy One's remuneration policy ensures that remuneration packages properly reflect the person's duties and responsibilities, and that remuneration is competitive in attracting, retaining and motivating people of the highest quality. The Remuneration Committee reviews and makes recommendations to the Board of Directors and senior executive remuneration and overall staff remuneration and incentive policies.

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

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

Executive remuneration and the terms of employment are reviewed annually having regard to personal and corporate performance, contribution to long-term growth, relevant comparative information and independent expert advice. As well as a base salary, remuneration packages include superannuation, performance-related bonuses and fringe benefits.
Performance-related remuneration for key management during the 2022 financial year was tied to a number of measures including revenue, profitability and shareholder measures such as earnings per share and share price performance.
The Chief Executive Officer and Australian based executives receive a superannuation guarantee contribution required by the government, which was 10% in the year ended 30 June 2022, and do not receive any other retirement benefits. In the case of UK based executives the pension contributed by the company is 8%.

All remuneration paid to directors and executives is measured at the cost to the Group and expensed. Shares given to directors and executives are valued as the difference between the market price of those shares and the amount paid by the director or executive. Rights are valued using the share price immediately prior to issue adjusted for any dividends foregone,

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

Employment offers stipulate various notice periods. The Company may terminate an employment contract without cause by providing written notice or making payment in lieu of notice, based on the individual's annual salary component together with a redundancy payment as per relevant legislation. The employment conditions of the Chief Executive Officer, Mr Ankers and other key management personnel are formalised in offer letters of employment. All key management personnel are permanent employees of Energy One Limited with the exception of Mr Simon Wheeler who is employed by Contigo Software Limited. Termination payments are generally not payable on resignation or dismissal for serious misconduct. In the instance of serious misconduct the Company can terminate employment at any time. Mr Ankers has a termination notice period of 12 months.
The remuneration committee determines the proportion of fixed and variable compensation for each key management personnel. Other than share rights and bonuses, compensation is not related to performance.

Short Term Incentives (STI)

Short term Incentives (STI) are determined as a fixed percentage of Net Profit After Tax (NPAT) for the Group Chief Executive and Chief Financial Officer. Bonuses paid to other KMP are based on Profit Before Tax (PBT). Both NPAT and PBT are based on the "underlying result" and as such exclude the impact of one-off items or items not budgeted but incurred for the benefit of the Group and approved by the Board. These costs would typically relate to acquisition and related structuring costs. KMP are free to take bonuses in either cash or on a "salary sacrifice" basis.

Remuneration of KMP is detailed in the table below:

Remuneration for the Chief Financial Officer reflects remuneration from the 4 January 2022 being the date Mr Steel was appointed as a permanent employee.

Name		Short Term Benefits		Post Employment		Equity	Long Term Benefits	Total	% Variable
Non Executive Directors		**Salary, commissions & fees**	**Bonuses**	**Super-annuation**	**Termination**	**Shares & share rights**	**Long service & annual leave**		
Andrew Bonwick	**2022**	**50,000**	0	0	0	**55,234**	0	**105,234**	**0%**
	2021	50,000	0	0	0	51,536	0	101,536	0%
Ian Ferrier	**2022**	**22,727**	0	**2,273**	0	**28,397**	0	**53,397**	**0%**
	2021	22,831	0	2,169	0	27,297	0	52,297	0%
Ottmar Weiss	**2022**	**25,000**	0	**2,500**	0	**29,600**	0	**57,100**	**0%**
	2021	25,114	0	2,386	0	26,817	0	54,317	0%
Vaughan Busby	**2022**	**30,000**	0	0	0	**33,143**	0	**63,143**	**0%**
	2021	30,000	0	0	0	30,923	0	60,923	0%
Executives									
Shaun Ankers	**2022**	**370,374**	**196,399**	**27,500**	0	**191,472**	**24,704**	**810,449**	**48%**
	2021	371,989	282,2015	25,000	0	496,506	13,375	1,188,885	65%
Guy Steel	**2022**	**162,884**	**54,556**	**11,633**	0	**29,455**	0	**258,528**	**32%**
	2021	0	0	0	0	0	0	0	0%
Daniel Ayers	**2022**	**299,600**	**123,890**	**27,490**	0	**36,204**	**36,261**	**523,445**	**31%**
	2021	311,893	-	23,069	0	37,681	1,024	373,667	10%
Simon Wheeler	**2022**	**287,122**	**162,170**	**22,970**	0	**71,748**	**5,618**	**549,628**	**43%**
	2021	296,420	55,269	23,582	0	43,681	6,408	425,360	23%
Total	**2022**	**1,247,707**	**537,015**	**94,366**	0	**475,253**	**66,583**	**2,420,924**	**42%**
	2021	1,108,247	337,274	76,206	0	714,441	20,807	2,256,985	47%

Long Term Incentives (LTI)

Share Rights have been issued and approved by shareholders under the Energy One Equity Incentive Plan (EIP) which was approved at the 2020 AGM on 22 October 2020 and the Contigo Employee Incentive Plan (CEIP).

Share rights are a right to receive EOL shares at a future point with rights being converted to shares where certain performance criteria are met and the KMP remains employed at all times from right issue to the relevant vesting date. The EOL Board has discretion to vest share rights where it is of the view that it is equitable and in shareholder interest that a right vests. During FY22 25,000 rights issued to the previous Chief Financial Officer Mr Standen vested at the discretion of the directors. Mr Standen currently also holds 25,000 rights that are subject to similar Board discretion to be made at the time of vesting on FY23 and FY24.

FY2022 rights issued to KMP are summarised below as are performance criteria and outcomes. Share rights issued to the directors including the Group CEO were approved by EOL's shareholders at the Annual General Meeting on 12 November 2021.

Share Rights Issued and Vested KMP

Share rights issued, vested and lapsed with respect to KMP are summarised in the table below:

FOR THE YEAR ENDED 30 JUNE 2022	Balance as at 30/06/2021	Granted as remuneration	Vesting of share rights	Expiring share rights	Balance as at 30/06/2022	Fair value of vested shares ($)
Directors						
Andrew Bonwick (Chairman)	11,494	7,776	(11,494)	0	**7,776**	46,148
Ottmar Weiss	5,747	4,277	(5,747)	0	**4,277**	23,074
Ian Ferrier	6,322	3,888	(6,322)	0	**3,888**	25,383
Vaughan Busby	6,897	4,666	(6,897)	0	**4,666**	27,691
Total Directors	**30,460**	**20,607**	**(30,460)**	**0**	**20,607**	122,296
Executives						
Shaun Ankers - CEO	220,000	91,991	(155,000)	0	**156,991**	505,971
Guy Steel - CFO & Company Secretary	0	32,831	0	0	**32,831**	-
Dan Ayers - CEO Australasia	13,849	63,997	(6,925)	0	**70,921**	28,046
Simon Wheeler - CEO Europe	17,029	75,552	(8,515)	0	**84,066**	34,486
Total Executives	**250,878**	**264,371**	**(170,440)**	**0**	**344,809**	568,503
Total Rights KMP	**281,338**	**284,978**	**(200,900)**	**0**	**365,416**	**690,799**

Share Rights Issued and Vested KMP continued

Rights Issued in FY2022

The following table summarises rights issued to KMP during the FY2022 year as well as performance criteria and vesting dates:

Rights Issued To	Rights Issued No.	Rights Issued Fair Value	Rights Approved to Vest	Rights Lapsing	Service Based	Vest Date	Performance criteria
Non Executive Directors	20,607	133,739	0	0	20,607	31 Oct 2022	Service based
Chief Executive Officer	91,991	602,541	10,498	81,493	0	31 Aug 2022	Operating revenue, Earnings per Share (EPS), strategic objectives and share holder return based on share price
Other KMP	172,380	1,097,782	13,802	148,578	10,000	31 Aug 2022 & 31 Mar 2023	Operating revenue, Earnings per Share (EPS), strategic objectives and share holder return based on share price. 10,000 service based rights issued to CEO – Europe vesting 31 March 2023.
Total Rights Issued KMP	**284,978**	**1,834,062**	**24,300**	**230,071**	**30,607**		

Share Rights Performance KMP

Subsequent to year end the Board have resolved that in relation to rights issued to KMP in FY2022 24,300 rights have met performance criteria and will vest, 230,071 rights will lapse due to failure to meet performance criteria and 30,607 rights will vest subject to the relevant service period being met. Rights subject to service criteria include this issued to non-executive directors and CEO Europe.

With respect to share rights issued to KMP in years prior to FY2022, subsequent to year end the Board have approved 72,719 rights to vest as shares on 31 August 2022 (subject to service conditions being met) and the lapsing of nil rights due to service conditions not being met. 7,719 rights have met their performance conditions but are yet to meet their service conditions.

A summary of rights issued prior to FY2022 and approved for vesting in relation to KMP is shown below:

Rights Issued To	Rights Issued No.	Rights Issued Fair Value	Rights Approved to Vest	Rights Lapsing	Service Based	Vest Date	Performance criteria
Chief Executive Officer	1 Nov 2019	65,000	65,000	0		31 Aug 2022	Share holder return based on share price
Other Executives	02 Nov 2020	15,438	7,719	0	7,719	31 Aug 2022 & 31 Mar 2023	Operating revenue, Earnings per Share (EPS), strategic objectives and share holder return based on share price. 10,000 service based rights issued to CEO – Europe vesting 31 March 2023.
Total Rights Issued		**80,438**	**72,719**	**0**	**7,719**		

Share Rights Performance KMP continued

Service Rights to non-executive directors as part of their director fee package and do not have performance criteria but do have service-based conditions. Rights will be forfeited where a directors' is not in continuous service to the date of vesting 31 October 2022.

No other rights with respect to KMP apart from those detailed above have been granted, vested or expired in the previous financial year. There have been no rights issued since the reporting date. The expiry date for each right granted occurs one month after the vesting date, with the rights granted having an exercise price of $nil. All rights issued to Mr Standen that remained unvested at 30 June 2022 will be considered for vesting at the appropriate vesting dates. For further information on share-based payments refer Note 29 of the financial statements.

Shares held by Key Management Personnel

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

FOR THE YEAR ENDED 30 JUNE 2022	Balance as at 30/06/2021	Vesting of share rights	Dividend reinvestment	Balance as at 30/06/2022
Directors				
Andrew Bonwick (Chairman)	515,204	11,494	368	**527,066**
Ottmar Weiss	1,310,723	5,747	12,230	**1,328,700**
Ian Ferrier	7,048,493	6,322	0	**7,054,815**
Vaughan Busby	4,100,498	6,897	38,260	**4,145,655**
Total Directors	**12,974,918**	**30,460**	**50,858**	**13,056,236**
Executives				
Shaun Ankers - CEO	835,550	155,000	0	990,550
Guy Steel - CFO & Company Secretary	0	0	0	0
Dan Ayers - CEO Australasia	216,111	6,925	0	223,036
Simon Wheeler - CEO Europe	27,564	8,515	0	36,079
Total Executives	**1,054,143**	**200,900**	**50,858**	**14,305,901**
	14,054,143	**200,900**	**50,858**	**14,305,901**

Note: opening balance has been adjusted to remove Richard Standen's shares as Mr Standen is no longer a KMP.

Other transactions with key management personnel.

There were no other transactions with key management personnel.

DIRECTORS' REPORT

The directors present their report, which includes the Remuneration Report, together with the financial statements of Energy One Limited (EOL or the Company) and its subsidiaries (together referred to as the Group), for the year ended 30 June 2022 (FY22) and the auditor's report thereon. The financial statements have been reviewed and approved by the directors on the recommendation of the EOL Audit and Risk Committee.

The FY22 consolidated net profit after tax attributable to the owners of EOL was $3.583million (2021 $3.705million).

Directors

The directors who held office during the year and who hold office at the date of this report unless otherwise noted are:

Andrew Bonwick (Chairman)
Shaun Ankers (Group CEO)
Ian Ferrier
Ottmar Weiss
Vaughan Busby

Directors meetings and attendance at this meetings is disclosed at page 21 of this report. The qualification, experience and current or recent directorships is disclosed at page 17. The qualification and experience of the Company secretary Mr Guy Steel is also disclosed at page 17.

Indemnification and insurance of officers

The Group has paid insurance premiums for directors' and officers' liability for current and former directors and officers of the Company, its subsidiaries and related entities.

The insurance policies prohibit disclosure of the nature of the liabilities insured against and the amount of the premiums.

The Constitution of EOL provides that every person who is or has been a director, secretary or executive officer of the Company, and each other officer or former officer of the Company (or of its related bodies corporate as the directors in each case determine), is indemnified by the Company to the maximum extent permitted by law. The indemnity covers losses or liabilities incurred by the person as a director or officer, including but not limited to liability for negligence and for legal costs on a full indemnity basis.

Performance Rights Issued Over Shares

At the date of this report EOL had 73,780 share rights outstanding (FY21 420,796). For further details on share rights, performance criteria and outcomes refer to the Remuneration Report on pages 25 to 30.

During the year 272,071 (200,900 to KMP) share rights vested resultant from achievement of performance and service criteria.

Proceedings on behalf of the Group

No application for leave has been made under section 237 of the Corporations Act 2001 in respect of the Group and no proceedings have been brought or intervened in on behalf of the Group under that section.

Remuneration Report

Information on remuneration for the EOL Board and Key Management Personnel (KMP), is contained in the Remuneration Report on pages 25 to 30, which forms part of the Directors' Report.

Non-audit services

Details of the amounts paid or payable to the Group's auditor BDO and its related practices for non-audit services provided during the year are set out in note 5 of the financial statements.

Report on the Business

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

Review of Operations
Information on the operations and financial position of the Group, and its business strategies and prospects, is disclosed in the Operating and Financial Review on pages 9 to 13.

The Group continues to manage the ongoing COVID-19 situation. There have not been any significant adverse financial or operational impacts to date and any known impacts have been reflected in the FY22 financial statements.

Dividends
Information with respect to dividends in respect of the previous and current financial years are disclosed at note 6 of the financial statements.

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.

On 26 April 2022, Energy One Limited purchased all of the shares and units in the entities comprising the CQ Energy Group. The CQ Energy Group was purchased for the sum of $36.0mil comprised of a cash payment of $26.4mil paid on completion, $6.0mil (981,999 shares) issued on completion with two payments of $1.8mil due six and twelve months from completion. A further payment of $0.5mil was made with respect to the working capital balance at the date of completion. The initial payment was funded from a debt facility provided by NAB with the later cash instalments to be funded via the Group's working capital and earnings.

There were no other material changes in FY22. 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.

After balance sheet events

On 19 September 2022 EOL announced completion of a $7.5mil share placement to sophisticated institutional investors with share proceeds due for settlement 26 September 2022. In addition to the placement EOL also announced a 1 share for 62 shares held Rights Issue for eligible shareholders. The Rights Issue will raise approximately $2.0mil and is underwritten to $1.9mil. Rights Issue shares must be paid for by shareholders by 14 October 2022 and resultant shares will be issued on or about 21 October 2022. Further information is available in EOL's announcements on 15 and 19 September 2022.

Auditors Independence Declaration

The Board of directors has considered the non-audit services provided during the year by the auditor and in accordance with advice provided by the Audit and Risk Committee, is satisfied that the provision of those non-audit services is compatible with, and did not compromise, the auditor independence requirements of the Corporations Act 2001 for the following reasons:

- Non-audit services were subject to the corporate governance procedures adopted by the Group and have been reviewed by the Audit and Risk Committee
- Non-audit services provided do not undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants, as they did not involve reviewing or auditing the auditor's own work, acting in a management or decision-making capacity for the Company, acting as an advocate for the Company or jointly sharing risks and rewards.

A copy of the Auditor's Independence Declaration as required under section 307C of the Corporations Act 2001 is on page 33.

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'.

ANDREW BONWICK
Chairman

23 September 2022

SHAUN ANKERS
Chief Executive Officer (CEO)

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

As lead auditor of Energy One Limited for the year ended 30 June 2022, I declare that, to the best of my knowledge and belief, there have been:

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

This declaration is in respect of Company Name and the entities it controlled during the period.

Clayton Eveleigh
Director

BDO Audit Pty Ltd

Sydney, 23 September 2022

Financial Statements and Notes

Consolidated Statement of Profit or Loss and Other Comprehensive Income

FOR THE YEAR ENDED 30 JUNE 2022

	Note	Consolidated Group 2022 $'000	2021 $'000
Revenue and other income			
Revenue	2	**32,147**	27,644
Other income	2	**254**	258
		32,401	27,902
Expenses			
Direct project costs		**(2,411)**	(1,743)
Employee benefits expense	3	**(15,320)**	(14,295)
Depreciation and amortisation expense	3	**(3,706)**	(2,859)
Rental expenses on short term leases		**(89)**	(145)
Consulting expenses		**(1,946)**	(1,268)
IT and communication		**(695)**	(532)
Insurance		**(495)**	(311)
Accounting fees		**(408)**	(318)
Finance costs	3	**(244)**	(126)
Acquisition and related expenses		**(565)**	(58)
Travel and accommodation		**(323)**	(29)
Other expenses		**(1,618)**	(1,125)
		(27,820)	(22,809)
Profit before income tax		**4,581**	5,093
Income tax expense	4	**(998)**	(1,388)
Profit after income tax attributatable to owners of the parent equity		**3,583**	3,705
Other comprehensive income:			
Profit after income tax attributable to owners		**3,583**	3,705
Exchange differences arising from translation of foreign entities		**(738)**	146
Total comprehensive income		**2,845**	3,851
Total comprehensive income attributable to owners of the parent entity		**2,845**	3,851
Basic earnings per share (cents per share)	7	**13.50**	14.41
Diluted earnings per share (cents per share)	7	**13.29**	14.30

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

Consolidated Statement of Financial Position

AS AT 30 JUNE 2022

	Note	Consolidated Group 2022 $'000	Consolidated Group 2021 $'000
Current Assets			
Cash and cash equivalents	8	**3,348**	5,422
Trade and other receivables	9	**4,936**	4,363
Income tax receivable		**259**	0
Other assets	10	**1,035**	906
Total Current Assets		**9,578**	10,691
Non-Current Assets			
Property, plant and equipment	11	**397**	245
Lease right-of-use asset	12	**3,540**	2,734
Software development	13	**19,214**	15,725
Intangible assets	14	**52,904**	8,873
Other assets	10	**197**	73
Deferred tax asset	4	**1,337**	939
Total Non Current Assets		**77,589**	28,589
Total Assets		**87,167**	39,280
Current Liabilities			
Trade and other payables	15	**4,540**	3,278
Lease liabilities	12	**975**	674
Borrowings	16	**2,500**	0
Deferred Consideration	15	**5,100**	798
Income tax payable		**0**	1,246
Contract liabilities	18	**4,234**	4,065
Employee provisions	17	**1,509**	1,079
Total Current Liabilities		**18,858**	11,140
Non-Current Liabilities			
Trade and other payables	15	**39**	0
Lease liabilities	12	**2,774**	2,177
Borrowings	16	**24,404**	0
Contract liabilities	18	**518**	717
Deferred tax liability	4	**5,985**	1,764
Employee provisions	17	**350**	290
Total Non Current Liabilities		**34,070**	4,948
Total Liabilities		**52,928**	16,088
Net Assets		**34,239**	23,192
Equity			
Contributed equity	19	**29,773**	19,812
Reserves	20	**101**	1,034
Accumulated profits		**4,365**	2,346
Total Equity		**34,239**	**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 YEAR ENDED 30 JUNE 2022

	Note	Contributed Equity $'000	Share Based Payments Reserve $'000	Foreign Exchange Reserve $'000	Accumulated Profits / (Losses) $'000	Total $'000
		Consolidated Group				
Balance as at 1 July 2020		18,689	529	(64)	(462)	18,692
Profit after income tax for the year		0	0	0	3,705	3,705
Other comprehensive income for the year, net of tax		0	0	146	0	146
Total comprehensive income for the year		0	0	146	3,705	3,851
Transactions with owners in their capacity as owners:						
Share issues	19	419	0	0	0	419
Dividends paid	6	0	0	0	(897)	(897)
Other transactions:		0	0	0	0	0
Share based payments	19	72	1,055	0	0	1,127
Shares vesting	19	632	(632)	0	0	0
Balance as at 30 June 2021		**19,812**	**952**	**82**	**2,346**	**23,192**
Profit after income tax for the year		**0**	**0**	**0**	**3,583**	**3,583**
Other comprehensive income for the year, net of tax		**0**	**0**	**(738)**	**0**	**(738)**
Total comprehensive income for the year		**0**	**0**	**(738)**	**3,583**	**2,845**
Transactions with owners in their capacity as owners:						
Share issues	19	**8,879**	**0**	**0**	**0**	**8,879**
Dividends paid	6	**0**	**0**	**0**	**(1,564)**	**(1,564)**
Other transactions:						
Share based payments	19	**90**	**797**	**0**	**0**	**887**
Shares vesting	19	**992**	**(992)**	**0**	**0**	**0**
Balance at 30 June 2022		**29,773**	**757**	**(656)**	**4,365**	**34,239**

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

Consolidated Statement of Cash Flow

AS AT 30 JUNE 2022

	Note	Consolidated Group 2022 $'000	2021 $'000
Cash Flows from Operating Activities			
Receipts from customers		**36,189**	27,624
Receipts of research and development incentives		**0**	37
Payments to suppliers and employees		**(26,961)**	(18,576)
Finance costs including lease interest		**(244)**	(126)
Interest received		**1**	6
Income tax paid		**(2,369)**	(854)
Net cash provided by operating activities	8	**6,616**	8,111
Cash Flows from Investing Activities			
Payment property, plant and equipment	11	**(170)**	(55)
Payment for intangible assets - patents and trademarks	14	**0**	(6)
Payment for software development costs	13	**(4,461)**	(3,524)
Payment for acquisition of business	22	**(31,161)**	(1,631)
Restricted term deposits released		**148**	0
Net cash used in investing activities		**(35,644)**	(5,216)
Cash Flows from Financing Activities			
Proceeds from borrowings		**27,388**	0
Repayment of borrowings		**(625)**	(644)
Receipts from share issues		**977**	704
Payment of dividend		**(19)**	(478)
Lease payments		**(767)**	(589)
Net cash provided / (used) by financing activities		**26,954**	(1,007)
Net (decrease) / increase in cash held		**(2,074)**	1,888
Cash and cash equivalents at beginning of financial year		**5,422**	3,534
Cash and cash equivalents at end of financial year	8	**3,348**	5,422

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

Notes to the Financial Statements

FOR THE YEAR ENDED 30 JUNE 2022

NOTE 1 | SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

(a) Basis of preparation

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

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

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

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

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

The financial statements were authorised for issue, in accordance with a resolution of directors, on 23 September 2022. The Directors have the power to amend and reissue the financial statements.

(b) Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of the subsidiary of Energy One Limited (‘’company’’ or ‘’parent entity’’) as at 30 June 2022 and the results of the subsidiaries for the year then ended. Energy One Limited and its subsidiaries together are referred to in this financial report as the Group or the consolidated entity.

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

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

(c) Impairment of assets

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

(d) Goods and services tax (GST)

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

(e) Comparative figures

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

Notes to the Financial Statements

FOR THE YEAR ENDED 30 JUNE 2022

NOTE 1 | SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(f) New and amended standards adopted by the Group

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

Conceptual Framework for Financial Reporting (Conceptual Framework)

The consolidated entity has adopted the revised Conceptual Framework from 1 July 2020. The Conceptual Framework contains new definition and recognition criteria as well as new guidance on measurement that affects several Accounting Standards, but it has not had a material impact on the consolidated entity's financial statements.

(g) New accounting standards for application in future periods

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

(h) Rounding of amounts

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

(i) Coronavirus (COVID-19) pandemic

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

NOTE 2 | REVENUE AND OTHER INCOME

		Consolidated Group	
	Note	**2022 $'000**	2021 $'000
Revenue from contracts with customers			
Licences		**18,590**	16,384
Support, hosting and other services		**9,876**	6,367
Project implementation		**2,667**	4,893
Operations support and advisory		**1,014**	0
		32,147	27,644
Recurring revenue include in above		**29,480**	22,751
Other income			
Interest income		**1**	6
Government grant and other income		**39**	38
Research and development incentive income		**214**	214
		254	258
Total Revenue and Other income		**32,401**	27,902

During the 2020 and 2021 financial year the Australian Government provided a number of Covid-19 related support measures for businesses including "Cash Flow Boost" and "JobKeeper". Energy One recognised "Cash Flow Boost" incentives of $13,000 (2021: $38,000) in the 2022 financial year. Energy One was not entitled to, and did not receive any assistance in the form of "JobKeeper" incentives.

NOTE 2 | REVENUE AND OTHER INCOME CONTINUED

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

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

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

Brokerage revenue relating to the provision of advisory services with respect to weather, outage and other energy based risk instruments is recognised based on the effective date of the underlying risk based instrument and contract. Revenue is typically determined based on the premium payable by the customer to the provider of the risk instrument. In the current financial year all brokerage was billed and receivable within twelve months of the contract effective date. EOL acts in a purely advisory capacity and as such revenue outcomes and obligations are not determinant on any additional factors or contract performance obligations.

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

Key Estimates & Judgements
Revenue Recognition
There are four key judgements associated with License and related services revenue as noted above. These are as follows:

(a) Revenue is recognised at the fair value of consideration received or receivable and there is judgement associated with the expected revenue to be received over the life of a contract with a customer. Management recognise revenue based on the best estimate of expected revenue to be received for individual contracts.

(b) Project implementation and consulting services provided to customers typically involves the configuration of software solutions and may also involve minor enhancements or development of client specific functionality. Consulting services revenue also includes advisory services in relation to energy trading and revenue is recognised in the same manner as for software related consulting activities. Revenue from client specific projects is determined with reference to the stage of completion of the project at reporting date. There is judgement associated with determining the stage of completion of each individual customer project as noted in the accounting policy above.

(c) License fee revenue is recognised at a point in time or over time depending on the nature of the performance obligations and activities required under the contract. This determination involves judgement by management in determining the most appropriate revenue recognition model in line with relevant accounting standards.

(d) Brokerage revenue is recognised at the effective date of the underlying risk based instrument.

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

Notes to the Financial Statements

FOR THE YEAR ENDED 30 JUNE 2022

NOTE 2 | REVENUE AND OTHER INCOME CONTINUED

Research and development incentive income
The Group, through the continued development of its Software has invested funds in research and development. Under the Research and Development Tax Incentive scheme jointly administered by AusIndustry and the ATO, the Australian Government offers rebates for funds invested in research and development. The United Kingdom have a similar scheme whereby businesses are incentivised to undertake innovative projects and receive government assistance in the form of tax credits.

For the year ended 30 June 2022, the Group opted not to receive tax incentives associated with the R&D activities in Australia as in management's opinion, estimated costs to be incurred in obtaining any Grants will exceed the estimated benefit received. Within the United Kingdom amounts have been recognised in respect of FY2020, 2021 & 2022 resulting in a net tax credit of $434,000 receivable.

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

Key Estimates - Research and development tax incentive
In previous years, The Group has recognised R&D Tax Incentive based on guidelines from the ATO and AusIndustry. Eligible overheads are apportioned to Research and Development based on R&D hours as a percentage of total hours.

NOTE 3 | EXPENSES

		Consolidated Group	
	Note	**2022 $'000**	2021 $'000
The consolidated income statement includes the following specific expenses:			
Depreciation and amortisation			
Depreciation - Plant and equipment	11	**164**	144
Amortisation - Leasehold improvement	11	**5**	6
Amortisation - Lease right-of-use	12	**851**	661
Amortisation - Software development	13	**2,497**	2,035
Amortisation - Customer lists	14	**132**	0
Amortisation - Patents	14	**3**	7
Loss on disposal - Plant and equipment	11	**0**	16
Foreign currency translation		**54**	(10)
		3,706	2,859
Finance costs			
Interest and finance charges on borrowings		**151**	62
Interest and finance charges on lease liabilities		**93**	64
		244	126
Employee benefit expenses			
Superannuation expense		**1,402**	1,275
Employee share plan benefits	29	**887**	1,127
Other employee benefit	3(a)	**13,031**	11,893
		15,320	14,295

(a) Of the total employee benefit expense, $2,480,000 represents expenditures related to research and development activities (2021: $397,000). The expenditures in relation to the UK R&D claim were incurred in FY2020 to FY 2022.

NOTE 4 | INCOME TAX EXPENSES

		Note	Consolidated Group 2022 $'000	2021 $'000
(a)	The components of tax expense comprise:			
	Current tax		**1,236**	1,767
	Prior year tax adjustment		**64**	45
	Foreign exchange variance		**38**	(2)
	Deferred tax		**94**	(422)
	R&D claim offset		**(434)**	0
	Income tax expense		**998**	1,388
(b)	The prima facie tax on profit from ordinary activities before income tax is reconciled to the income tax as follows:			
	Prima facie tax payable on profit from ordinary activities before income tax at 25.0% (2021: 26%)		**1,141**	1,655
	Tax effect of differing overseas tax rates		**33**	(67)
	Add tax effect of non-deductible expenses (excluding R&D)		**260**	(139)
	Income tax expense before effect of R&D Incentive and prior period tax adjustments :-		**1,434**	1,449
	Tax effect of R&D incentive		**159**	58
	R&D claim offset		**(434)**	0
	Deferred tax rate change		**56**	88
	Prior year tax adjustment		**(217)**	(207)
	Income tax attributable to entity		**998**	1,388
(c)	Net deferred tax :-			
	Opening balance		**(825)**	(791)
	Charged to income		**(328)**	257
	Deferred tax liability on acquired customer lists CQ Energy	22	**(3,025)**	0
	Current year charge for CQ Energy acquired customer lists		**35**	0
	Deferred tax liability on acquired software and customer lists Egssis	22	**(665)**	0
	Current year charge for Egssis acquired software and customer lists		**35**	0
	Deferred tax liability on prior year acquisitions		**165**	164
	Foreign exchange variance		**80**	(12)
	Final deferred tax liability on acquisition of software of eZ-nergy		**0**	(266)
	Prior year tax adjustment		**(120)**	(177)
	Closing balance net deferred tax asset / (liability)	(4d)	**(4,648)**	(825)
(d)	Deferred tax comprises temporary differences attributable to:			
	Amounts recognised in profit or loss:			
	Contract assets		**(230)**	(94)
	Prepayments		**(2)**	(1)
	Software		**(888)**	(631)
	Contract liabilities		**671**	642
	Accrued expenses		**182**	184
	Provision & Employee Benefits		**484**	511
	Other temporary differences		**(142)**	(99)
	Deferred tax liability on acquisition of customer lists CQ Energy		**(2,990)**	0
	Deferred tax liability on acquisition of software and customer lists Egssis		**(611)**	0
	Deferred tax liability on acquisition of software of eZ-nergy		**(508)**	(722)
	Deferred tax liability on acquisition of Contigo Software Limited		**(614)**	(615)
			(4,648)	(825)

Notes to the Financial Statements

FOR THE YEAR ENDED 30 JUNE 2022

NOTE 4 | INCOME TAX EXPENSES CONTINUED

(e) The Group has no unrecognised accrued tax losses at 30 June 2022 (2021: $0).

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

The net deferred tax above is comprised of deferred tax asset $1,337,000 and deferred tax liability $5,985,000 (2021: deferred tax asset $939,000 and deferred tax liability $1,764,000). Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to apply when the assets are recovered or liabilities are settled, based on those tax rates which are enacted or substantially enacted. The relevant tax rates are applied to the cumulative amounts of deductible and taxable temporary differences to measure the deferred tax asset or liability. An exception is made for certain temporary differences arising from the initial recognition of an asset or a liability. No deferred tax asset or liability is recognised in relation to these temporary differences if they arose in a transaction, other than a business combination, that at the time of the transaction did not affect either accounting profit or taxable profit or loss.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses. Where the company is aware of future changes in taxation rates deferred tax balances are revalued accordingly. In the current year deferred tax liabilities were increased by $56,000 due to a notified increase in the United Kingdom rate of tax from 19% to 25% effective 1st April 2023.

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

For the year 1 July 2021 to 30 June 2022, the Company recognised incentives associated with the R&D activities in the United Kingdom relating to the FY2020, 2021 and 2022 years. In the prior year, in line with applicable tax legislation and ATO guidance, any incentive received was immediately recognised as a credit within the income tax expense.

NOTE 5 | AUDITOR REMUNERATION

		Consolidated Group	
	Note	**2022 $'000**	2021 $'000
The Auditor of Energy One Limited is BDO and related network firms.			
Fees paid or payable for audit services:-			
Auditing and reviewing the financial reports -			
Group		**181**	142
Subsidiaries		**89**	70
Fees paid or payable for other services -			
Taxation services		**48**	85
Other services		**90**	21
		408	318

Notes to the Financial Statements

FOR THE YEAR ENDED 30 JUNE 2022

NOTE 6 | DIVIDENDS

	Note	Consolidated Group 2022 $'000	2021 $'000
Dividends declared and paid during the year		**1,564**	897
Franking account balance		**0**	0

On 23 August 2021 the Company declared an unfranked dividend of 6.00 cents per ordinary share ($1,564,000). The record date for the dividend was 30 September 2021. The payment date for the dividend was 18 October 2021.

On 22 August 2022 the Company declared an unfranked dividend of 6.00 cents per ordinary share. The record date for the dividend will be 30 September 2022. The payment date for the dividend is 20 October 2022.

NOTE 7 | EARNINGS PER SHARE

	2022	2021
Basic EPS (cents per share)	**13.50**	14.41
Diluted EPS (cents per share)	**13.29**	14.30
Earnings used in calculating basic and diluted earnings per share ($ '000)	**3,583**	3,705
Weighted average number of ordinary shares used in calculating basic earnings per share ('000)	**26,548**	25,720
Weighted average number of share rights outstanding ('000)	**403**	181
Weighted average number of ordinary shares used in calculating diluted earnings per share ('000)	**26,951**	25,901

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

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

There were 506,880 (2021: 420,796) share rights outstanding at 30 June 2022. 283,003 (2021: Nil) share rights issued subject to performance provisions being met are excluded in the calculation of diluted earnings per share as the conditions are not yet or unlikely to be satisfied at year end (refer Note 29).

NOTE 8 | CASH AND EQUIVALENTS

	2022	2021
Cash and cash equivalents at end of financial year	**3,348**	5,422

The effective interest rate on short-term bank deposits for the year was 0% (2021: 0.47%); these deposits have an average maturity of 188 days. The weighted average effective interest on cash and cash equivalents was 0% (2021: 0.09%).

The Parent Company entered a finance facility with National Australia Bank (NAB) on 11 April 2022 . This facility replaced the existing Westpac facilities and does not contain a bank overdraft facility. At the time of the NAB facility being settled all security previously held by Westpac was released. The Westpac bank overdraft had a an interest rate of 4.59% at the date of facility termination (2021: 4.59%) and was not drawn during the year. The Group's exposure to interest rate risk is discussed in Note 27.

NOTE 8 | CASH AND EQUIVALENTS CONTINUED

	Note	Consolidated Group 2022 $'000	2021 $'000
Reconciliation of Cash Flow from Operations with Profit from Ordinary Activities after Income Tax			
Profit from ordinary activities after income tax		**3,583**	3,705
Non-cash flows in profit from ordinary activities:			
Depreciation and amortisation		**3,706**	2,859
Foreign exchange		**(17)**	363
Changes in assets and liabilities, net of the effects of purchase of subsidiaries:			
(Increase)/decrease in trade and other receivables		**866**	(389)
(Increase)/decrease in other assets		**(249)**	(268)
(Increase)/decrease in deferred tax assets		**198**	(251)
Increase/(decrease) in trade and other payables		**81**	861
Increase/(decrease) in income tax payable		**(1,569)**	498
Increase/(decrease) in provisions		**51**	285
Increase/(decrease) in contract liabilities		**(34)**	448
Net cash provided by operating activities		**6,616**	8,111

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

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

	Note	2022 $'000	2021 $'000
Cash and Cash Equivalents & Restrictive Cash Deposits			
Cash and cash equivalents at end of financial year		**3,348**	5,422
Restrictive cash deposits held for bank guarantees:			
Other current assets	10	**0**	148

NOTE 9 | TRADE AND OTHER RECEIVABLES

			Consolidated Group	
			2022 $'000	2021 $'000
Current	Trade receivables		**3,657**	3,374
	Provision for expected credit losses		**(104)**	(126)
	Contract assets	(a)	**1,141**	1,086
	R&D tax incentive	(b)	**164**	29
	Other receivables		**78**	0
			4,936	4,363

(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:

	2022	2021
Opening balance	**1,086**	1,480
Amounts invoiced during the year	**(2,425)**	(3,056)
Amounts accrued during the year	**2,480**	2,662
Closing balance	**1,141**	1,086

(b) R&D Tax Incentive

The Company is expecting a research and development tax incentive (refer Note 2) in the United Kingdom Tax that was recognised in FY22 for the R&D costs incurred in the 2020, 2021 and 2022 financial years.

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. Refer to Note 27 for more information on the risk management policy of the Group and the credit quality of the entity's trade receivables, along with interest risk.

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

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

Notes to the Financial Statements

FOR THE YEAR ENDED 30 JUNE 2022

NOTE 9 | TRADE AND OTHER RECEIVABLES CONTINUED

	Gross amount	Within initial trade terms	31-60 days	61-90 days	>90 days
2022 in $'000					
Trade receivables and contract assets	**4,799**	**4,114**	**470**	**71**	**144**
Other receivables	**241**	**241**	**0**	**0**	**0**
Expected credit losses	**(104)**	**0**	**0**	**0**	**(104)**
Total	**4,936**	**4,355**	**470**	**71**	**40**
2021 in $'000					
Trade receivables and contract assets	4,460	3,748	246	38	428
Other receivables	29	29	0	0	0
Expected credit losses	(126)	0	0	0	(126)
Total	4,363	3,777	246	38	302

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 $104,000 (2021: $126,000). Contract assets are included within initial trade terms as they are subject to 30 days credit terms on billing.

NOTE 10 | OTHER ASSETS

		Note	Consolidated Group 2022 $'000	2021 $'000
Current	Prepayments and deposits		**1,035**	758
	Restricted term deposit		**0**	148
			1,035	906
Non current	Prepayments and deposits		**197**	73

NOTE 11 | PROPERTY, PLANT AND EQUIPMENT

	Note	2022	2021
Plant and equipment at cost		**1,652**	917
Accumulated depreciation		**(1,266)**	(677)
		386	240
Leasehold improvements at cost		**476**	485
Accumulated depreciation		**(465)**	(480)
		11	5
Total property, plant and equipment		**397**	245
Movements in Carrying Amounts			
Opening balance		**245**	351
Additions - at cost		**170**	55
Additions - acquisition		**158**	0
Disposals	3	**(2)**	(16)
Depreciation and amortisation expense	3	**(169)**	(150)
Foreign exchange currency translation		**(5)**	5
Closing balance		**397**	245

NOTE 11 | PROPERTY, PLANT AND EQUIPMENT CONTINUED

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

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

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

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

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

NOTE 12 | LEASE RIGHT-OF-USE-ASSET AND LEASE LIABILITIES

	Consolidated Group	
	2022 $'000	2021 $'000
Non-Current Asset		
Lease right-of-use cost	**2,734**	1,967
Additions	**0**	1,882
Additions - acquisition	**1,699**	0
Disposal	**0**	(469)
Modifications	**0**	94
Lease right-of-use accumulated amortisation	**(851)**	(740)
Foreign exchange currency translation	**(42)**	0
	3,540	2,734
Lease liabilities - current	**975**	674
Lease liabilities - non current	**2,774**	2,177

On the acquisition of CQ Energy Group on 26 April 2022 a new five year lease with an initial rent free period of six months, was entered into for their commercial property in Adelaide, Australia. This lease was treated as the acquisition of a new lease contract and can be exited on 25 April 2027 with the Right to Use asset based on the five year lease term. The incremental borrowing rate applied to the new Adelaide lease was 2.2%.

On acquiring Egssis on 1 December 2021, a lease was taken over for the commercial office space in Aalst, 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.

Notes to the Financial Statements

FOR THE YEAR ENDED 30 JUNE 2022

NOTE 12 | LEASE RIGHT-OF-USE-ASSET AND LEASE LIABILITIES CONTINUED

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

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

NOTE 13 | SOFTWARE DEVELOPMENT

		Consolidated Group	
	Note	**2022 $'000**	2021 $'000
Software development - at cost		**28,683**	22,774
Accumulated amortisation		**(9,469)**	(7,049)
		19,214	15,725
Movements in Carrying Amounts			
Opening balance		**15,725**	14,109
Additions - at cost		**4,461**	3,524
Additions - acquisition		**1,894**	0
Amortisation		**(2,497)**	(2,035)
Foreign exchange currency translation		**(369)**	127
Balance as at 30 June 2022		**19,214**	15,725

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

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

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

Notes to the Financial Statements

FOR THE YEAR ENDED 30 JUNE 2022

NOTE 14 | INTANGIBLE ASSETS

	Consolidated Group 2022 $'000	2021 $'000
Patents and trademarks - at cost	**14**	13
Patents and trademarks - Accumulated amortisation	**(10)**	(7)
Customer lists - at cost	**12,787**	0
Customer lists - Accumulated amortisation	**(132)**	0
	12,659	6
Brand	**1,851**	0
Goodwill	**38,394**	8,867
Total Intangible Assets	**52,904**	8,873

	Brands $'000	Customer Lists $'000	Patents $'000	Goodwill $'000	Total $'000
Movements in Carrying Amounts					
Balance as at 1 July 2020	0	0	19	8,578	8,597
Additions \ (Disposals)	0	0	(6)	0	(6)
Amortisation	0	0	(7)	0	(7)
Adjustment to recognise deferred tax liability Contigo Ltd acquisition	0	0	0	271	271
Foreign exchange currency translation	0	0	0	18	18
Balance as at 30 June 2021	0	0	6	8,867	8,873
Additions/(Disposals)	**1,851**	**12,787**	**1**	**29,880**	**44,519**
Amortisation	**0**	**(132)**	**(3)**	**0**	**(135)**
Foreign exchange currency translation	**0**	**0**	**0**	**(353)**	**(353)**
Balance as at 30 June 2022	**1,851**	**12,655**	**4**	**38,394**	**52,904**

Goodwill and Software Development allocated to the CGU's identified is reflected below:

	$'000 CQ Energy	$'000 Energy One	$'000 Contigo	$'000 eZ-nergy	$'000 Egssis	$'000 Total
Goodwill	25,148	3,443	2,442	2,767	4,594	38,394
Software Development	0	8,047	5,410	3,497	2,260	19,214
Balance as at 30 June 2022	**25,148**	**11,490**	**7,852**	**6,264**	**6,854**	**57,608**
Customer lists	11,997	0	0	0	658	12,655
Brands	1,851	0	0	0	0	1,851
Balance as at 30 June 2022	**13,848**	**0**	**0**	**0**	**658**	**14,506**

Goodwill

Goodwill is tested for impairment at least once a year, or more frequently if events or changes in circumstances indicate that the carrying amount may not be recoverable. Where required, impairment losses are recognised in the profit or loss in the reporting period when the carrying amount exceeds recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purpose of impairment testing, assets are grouped at the lowest levels for which there are largely independent cash inflows (cash generating units). Goodwill is allocated to cash generating units (CGUs), or groups of CGUs, expected to benefit from synergies of the business combination. The Group's management structure reflects a regional model aligned to its current product offerings which are offered independently in Australia, United Kingdom and Europe. The Group has therefore identified five separate CGU's that align to the manner in which the Group goes to market and generates cash flows. In reviewing financial performance for management purposes an aggregation of Australia and Europe is utilised and this is the basis on which the Group reports segment results.

NOTE 14 | INTANGIBLE ASSETS CONTINUED

Key judgements and estimates - Recoverability of Intangible Assets and Software Development
When testing for impairment, the carrying amount of each group of CGUs is compared with its recoverable amount. The recoverable amount is determined based on a value-in-use calculation for each group of CGUs to which goodwill has been allocated. The value-in-use calculation uses the discounted cash flow methodology for each CGU typically based upon five years of cash flow projections plus a terminal value. No impairment charge has been recognised for the financial year ended 30 June 2022.

Five-year post-tax cash flow projections are based on approved budgets covering a one-year period, with the two following years forecast based on the Group's expectations of growth excluding the impact of possible future acquisitions, business improvement and restructuring. Years four to five are based on a EBITDA growth forecast of 2.5%. Forecast revenue growth in the CGU's (allowing for full year impact of acquired entities in FY2022) for the five year period ranges from 6% to 31% with an overall average of 11%. eZ-nergy is forecasting 31% revenue growth due to the consolidation of eZ-nergy and Egssis sales operations, whilst the business excluding eZ-nergy has an average revenue growth rate of 7% across the 2023 to 2025 years. Cash flows also include margin income projections, which reflect expectations regarding future client pricing and product usage. The earnings growth rates applied beyond the initial five-year period are 5.0%. A post-tax discount rate of 9.6% (2021: post-tax 10.9%) has been used in evaluating the present value of cash flows.

Impact of reasonably possible changes in key assumptions
As impairment testing is based on assumptions and judgements, the Group has considered sensitivity of the impairment test results to changes in key assumptions. Due to the uncertainty of Covid-19, the Group has further considered the impact on the business and the assessments of value-in-use for year-end reporting requirements. For all CGU's, the recoverable amount exceeds the carrying amount when testing for reasonably possible changes in key assumptions. Reasonably possible changes include changes to the post-tax discount rate, customer acquisition / churn, revenue and expenditure growth rates.

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

Customer lists and Brand
Customer lists that are acquired have a finite life and are amortised over their expected useful life. This useful life is based on historical rates of customer loss as well as EOL's judgment in terms of future retention and loss. Customer lists are measured at cost less accumulated amortisation and adjusted for any impairment losses. Brand assets recognised on the acquisition of CQ Energy are considered to have an infinite life and as such have not been amortised.

NOTE 15 | TRADE AND OTHER PAYABLES

			Consolidated Group	
		Notes	**2022 $'000**	2021 $'000
Current	Trade payables		**710**	454
	GST payable		**575**	577
	Sundry creditors and accruals		**3,255**	2,247
	Deferred acquisition consideration	22	**5,100**	798
			9,640	4,076
Non Current	Trade payables		**39**	0
			39	0

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

NOTE 16 | BORROWINGS

		Consolidated Group 2022 $'000	2021 $'000
Current	Term Loan	**2,500**	0
Non Current	Term Loan	**24,404**	0

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. 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 FY2022 an average interest rate (including the facility fee) of 3.17% 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.

On entering the NAB facility the existing Westpac overdraft and loan facilities were fully repaid and all security held by Westpac released. The rate of interest charged on Westpac loan facilities was 2.33% (2021: 2.66%). The overdraft facility was not drawn during the year and as such did not attract interest.

NOTE 17 | EMPLOYEE PROVISIONS

Current	Employee benefits	**1,509**	1,079
Non-Current	Employee benefits	**350**	290

Provision for annual leave is presented as current since the Group does not have an unconditional right to defer settlement. However based on historical experience, the Group does not expect all employees to take the full entitlement of leave within the next twelve months. The amount not expected to be taken with the next twelve months is $350,000 (2021 : $290,000).

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

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

NOTE 18 | CONTRACT LIABILITIES

Current	Licences received in advance	**4,035**	3,865
	Unearned R&D tax incentive	**199**	200
		4,234	4,065
Non-Current	Licences received in advance	**0**	0
	Unearned R&D tax incentive	**518**	717
		518	717
Unearned R&D tax incentive			
	Balance at beginning of the period	**917**	1,126
	Less recognised as grant income in the profit and loss	**(200)**	(209)
	Balance at the end of the period	**717**	917

Notes to the Financial Statements

FOR THE YEAR ENDED 30 JUNE 2022

NOTE 18 | CONTRACT LIABILITIES CONTINUED

Licences received in advance

The contract liability represents amounts billed in advance where the service obligation is yet to be performed. Project and implementation revenue is determined with reference to the stage of completion of the transaction at reporting date and where outcome of the contract can be estimated reliably. Stage of completion is determined with reference to the services performed to date as a percentage of total anticipated services to be performed. There was no significant liability change within the period and no amounts received in advance were or are impaired.

Unearned R&D tax incentive

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

NOTE 19 | CONTRIBUTED EQUITY

	2022 No '000	2021 No '000	2022 $ '000	2021 $ '000
Issued capital at beginning of the financial year	**25,818**	25,411	**19,812**	18,689
Shares issued or under issue during the year :-				
Shares issued to employee	**11**	18	**70**	74
Shares issued as a result of the vesting of share rights	**272**	293	**1,001**	632
Shares issued on dividend reinvestment plan	**240**	96	**1,543**	419
Shares issued on acquisition of Egssis NV	**213**	0	**1,351**	0
Shares issued on acquisition of CQ Energy Group	**982**	0	**6,088**	0
Costs of issuing shares			**(92)**	(2)
Balance at the end of the financial year	**27,536**	25,818	**29,773**	19,812

Ordinary Shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds. Incremental costs directly attributable to the issue of new shares or options, are shown in equity as a deduction, net of tax, from the proceeds. The amount of transaction costs accounted for as a deduction from equity is $92,000 (2021 : $1,700).

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

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

Capital Management

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

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

NOTE 20 | RESERVES

	Consolidated Group	
	2022 $'000	2021 $'000
Share based payment reserve		
Balance at the beginning of the financial year	**952**	529
Movement in share based payments	**(195)**	423
	757	952
Foreign exchange reserve		
Balance at the beginning of the financial year	**82**	(64)
Retranslation of overseas subsidiaries to functional currency	**(738)**	146
	(656)	82
Balance at the end of the financial year	**101**	1,034

The company holds reserves with respect to share based payments with the reserve value based on share rights issued and the share price at the time of issue, the probability of the right meeting service and performance based conditions as well as the period the rights vest over. Further detail with respect to share based payments is included at note 29.

The company holds a foreign currency reserve that reflects the foreign exchange exposure on assets and liabilities held in currencies other than AUD. Foreign currency gains or losses held within this reserve are unrealised with any realised currency gains or losses included in profit and loss.

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

NOTE 21 | CONTINGENT ASSETS AND LIABILITIES

The Group had no contingent liabilities or contingent assets as at 30 June 2022 or in the comparative year.

NOTE 22 | BUSINESS COMBINATIONS

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

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

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

Egssis NV

On 1 December 2021, Energy One Limited purchased Egssis NV ("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.

Notes to the Financial Statements

FOR THE YEAR ENDED 30 JUNE 2022

NOTE 22 | BUSINESS COMBINATIONS CONTINUED

Egssis NV 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.

On acquisition developed software of $1,950,000 and customer lists of $707,000 were identified and valued. Software is amortised over a ten year period in accordance with EOL's accounting policies and customer lists are amortised over a 14 year period.

	2022 EUR € '000	2022 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
	4,250	6,635
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
	4,711	**7,354**
Egssis NV		
Fair Value Recognised on acquisition :-		
Current Assets		
Cash and cash equivalents	596	931
Trade and other receivables	116	181
Other current assets	193	301
	905	1,413
Non Current Assets		
Property, plant and equipment	104	162
Lease Right of Use Asset	718	1,121
Software development - at valuation	1,249	1,950
Customer lists - at valuation	453	707
Goodwill on acquisition	3,029	4,729
	5,553	8,669
Total Assets	6,458	10,082
Current Liabilities		
Trade and other payables	350	546
Lease liabilities	138	216
Income tax payable	39	61
Contract liabilities	3	5
Borrowings	57	89
Employee benefits	121	188
	708	1,105
Non Current Liabilities		
Lease liabilities	580	906
Borrowings	34	53
Net deferred tax liabilities	425	664
	1,039	1,623
Total Liabilities	1,747	2,728
Net Assets	**4,711**	**7,354**

The business combination accounting for Egssis NV is accounted for on a finalised basis.

Egssis contributed $3,172,000 of revenue since acquisition and $491,000 profit before tax.

Notes to the Financial Statements

FOR THE YEAR ENDED 30 JUNE 2022

NOTE 22 | BUSINESS COMBINATIONS CONTINUED

CQ Energy Group
On 26 April 2022, Energy One Limited acquired all of the shares and units in the companies and unit trusts forming the CQ Energy Group. Total sale consideration was $36,000,000 to be paid in an initial cash payment of $26,400,000, equity of $6,000,000 and a further two cash payments of $1,800,000 ($3,600,000 in total) due October 2022 and April 2023. In addition to the sale consideration of $36,000,000, payment was made on completion for the "working capital" of the CQ Energy group equating to 517,000. On completion the total cash payment made was $26,917,000.

The CQ Energy Group is an Australian based business who provide operational, consulting and risk based advisory services to the Australian energy sector. Established in 2008 and based in Adelaide, CQ Energy have 20 staff and over 30 customers, operating in the 24/7 Australian energy market.

On acquisition Brand of $1,851,000 and customer lists of $12,100,000 were identified and valued. Brand is considered to have an indefinite life and has not been amortised whilst the useful life over which customer contracts is yet to be finalised it is expected the useful life will be between 15 to 20 years. Customer lists will be amortised in line with the expected life taking into account historical customer loss as well as EOL's judgment with respect to future attrition.

	2022 AUD $ '000
Consideration paid and or payable :-	
Cash on acquisition	26,400
Cash instalments payable	3,600
Equity issued - 981,999 shares	6,000
	36,000
Adjusted for :-	
Net working capital adjustment	517
Market value of shares issued at $6.20	88
	36,605
Fair Value Recognised on acquisition :-	
Current Assets	
Cash and cash equivalent	57
Trade and other receivables	1,046
Other current assets	62
	1,165
Non Current Assets	
Property, plant and equipment	0
Lease Right of Use Asset	549
Brands - at valuation	1,851
Customer lists - at valuation	12,100
Goodwill on acquisition	25,147
Deferred Tax Assets	63
	39,710
Total Assets	40,875

Notes to the Financial Statements

FOR THE YEAR ENDED 30 JUNE 2022

NOTE 22 | BUSINESS COMBINATIONS CONTINUED

	2022 AUD $ '000
Current Liabilities	
Trade and other payables	445
Income tax payable	0
Lease liabilities	43
Borrowings	0
Employee benefits	251
	739
Non Current Liabilities	
Borrowings	0
Lease liabilities	506
Net deferred tax liabilities	3,025
	3,531
Total Liabilities	4,270
Net Assets	**36,605**

The business combination accounting for the CQ Energy Group 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.

The CQ Energy Group contributed $1,223,000 of revenue since acquisition and $466,000 profit before tax, and this profit was distributed to Energy One at year end.

NOTE 23 | SEGMENT INFORMATION

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

There was no intersegment revenue for the year.

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

	Australasia 2022 $ '000	**UK/Europe 2022 $ '000**	Australasia 2021 $ '000	UK/Europe 2021 $ '000
Licences	**8,464**	**10,126**	7,486	8,898
Support, hosting and other services	**3,972**	**5,904**	3,523	2,844
Project implementation	**1,334**	**1,333**	1,717	3,176
Operations support and advisory	**1,014**	**0**	0	0
Other income	**216**	**38**	247	5
Expenses	**(9,511)**	**(13,514)**	(8,996)	(10,770)
Earnings before interest, tax, depreciation and amortisation	**5,489**	**3,887**	3,977	4,153
Depreciation and amortisation	**(1,920)**	**(1,786)**	(1,616)	(1,243)
Earnings before interest, tax and acquisition costs	**3,569**	**2,101**	2,361	2,910

NOTE 23 | SEGMENT INFORMATION CONTINUED

	Consolidated Group	
	2022 $'000	2021 $'000
Reconciliation of unallocated amounts to profit after tax :-		
Earnings before interest, tax and acquisition costs	**5,670**	5,271
Interest paid	**(244)**	(126)
Interest received	**1**	6
Acquisition and related costs	**(846)**	(58)
Profit before income tax	**4,581**	5,093

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

During the financial year ended 30 June 2022, the Australasian segment derived 31% (2021: 34%) of revenue from the top three customers and the UK/Europe segment derived 13% (2021: 23%) from the top three customers.

NOTE 24 | SUBSEQUENT EVENTS

On 19 September 2022 EOL announced completion of a $7.5mil share placement to sophisticated institutional investors with share proceeds due for settlement 26 September 2022. In addition to the placement EOL also announced a 1 share for 62 shares held Rights Issue for eligible shareholders. The Rights Issue will raise approximately $2.0mil and is underwritten to $1.9mil. Rights Issue shares must be paid for by shareholders by 14 October 2022 and resultant shares will be issued on or about 21 October 2022. Further information is available in EOL's announcements on 15 and 19 September 2022.

NOTE 25 | CONTROLLED ENTITIES

	Country of incorporation	% Equity		Investment $'000	
		2022	2021	**2022**	2021
Ultimate Parent Company					
Energy One Limited	Australia				
Controlled Entities					
Energy One Employee Option Plan Managers Pty Limited	Australia	**100%**	100%	**2**	2
Creative Analytics Pty Limited	Australia	**100%**	100%	**3,000**	3,000
Contigo Software Limited	UK	**100%**	100%	**2,049**	2,049
eZ-nergy SAS	France	**100%**	100%	**6,980**	6,980
Egssis NV	Belgium	**100%**	NA	**7,354**	NA
CQ Energy Pty Ltd	Australia	**100%**	NA	**36,605**	NA
CQ Energy Unit Trust	Australia	**100%**	NA		NA
CQ Risk Pty Ltd	Australia	**100%**	NA		NA
CQ Risk Unit Trust	Australia	**100%**	NA		NA
CQP Capital Pty Ltd	Australia	**100%**	NA		NA
Coorong Energy Pty Ltd	Australia	**100%**	NA		NA

NOTE 26 | RELATED PARTY TRANSACTIONS

Key management personnel
Details regarding key management personnel, their positions, shares, rights, and options holdings are details in the remuneration report within the Directors' Report contained in the 2022 Annual Report.

	Consolidated Group	
	2022 $'000	2021 $'000
Remuneration of key management personnel :		
Short term employee benefits	**1,784,722**	1,703,141
Post employment benefits	**94,366**	260,269
Long term benefits	**66,583**	(68,600)
Share based payments	**475,253**	835,875
	2,420,924	2,730,685

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

NOTE 27 | FINANCIAL RISK MANAGEMENT

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

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

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

NOTE 27 | FINANCIAL RISK MANAGEMENT CONTINUED

	Notes	Consolidated Group 2022 $'000	2021 $'000
Financial assets			
Cash and cash equivalents	8	**3,348**	5,422
Trade and other receivables - due within 12 months	9	**4,936**	4,363
Deposit with bank for bank guarantee – due within 12 months	10	**0**	148
Due within 12 months		**8,284**	9,933
Trade and other receivables - due after 12 months	9	**0**	0
Deposit with bank for bank guarantee – due after 12 months	10	**0**	148
Due after 12 months		**0**	148
Financial liabilities			
Trade and other payables - due within 12 months	15	**(9,640)**	(4,076)
Lease liabilities - due within 12 months	12	**(975)**	(674
Borrowings - due with 12 months	16	**(2,500)**	0
Due within 12 months		**(13,115)**	(4,750)
Trade and other payables - due after 12 months	15	**(39)**	0
Lease liabilities - due after 12 months	12	**(2,774)**	(2,177)
Borrowings - due after 12 months	16	**(24,404)**	(0)
Due after 12 months		**(27,217)**	(2,177)
Net financial assets / (liabilities)		**(32,048)**	3,154

Cash flow and fair value interest rate risk

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

The interest rate risk is managed using a mix of fixed and floating short-term deposits. At 30 June 2022 0% (2021: 3%) of cash and cash equivalents are fixed short term deposits. Short-term deposits are used to ensure that the best interest rate is received. Interest rates are reviewed prior to deposits maturing and re-invested at the best rate, over a number of banking institutions. The interest rate risk is detailed in the tables below :

NOTE 27 | FINANCIAL RISK MANAGEMENT CONTINUED

	Weighted Avg Effective Interest rate %	Fixed Rate $'000	Floating Interest Rate $'000	Non-Interest Bearing $'000	Total $'000
Consolidated entity 30 June 2022					
Financial Assets :					
Cash and cash equivalents	0.02%	**0**	**3,348**	**0**	**3,348**
Receivables	0.00%	**0**	**0**	**4,936**	**4,936**
Deposit for bank guarantee	0.00%	**0**	**0**	**0**	**0**
Total financial assets		**0**	**3,348**	**4,936**	**8,284**
Financial Liabilities :					
Borrowings and payables - due within 12 months	3.17%	**0**	**2,500**	**9,640**	**12,140**
Borrowings and payables - due after 12 months	3.17%	**0**	**24,404**	**39**	**24,443**
Total financial liabilities		**0**	**26,904**	**9,679**	**36,583**
Consolidated entity 30 June 2021					
Financial Assets :					
Cash and cash equivalents	0.09%	0	5,422	0	5,422
Receivables	0.00%	0	0	4,363	4,363
Deposit for bank guarantee	0.47%	148	0	0	148
		148	5,422	4,363	9,933
Financial Liabilities :					
Borrowings and payables - due within 12 months	0.00%	0	0	4,076	4,076
Borrowings and payables - due after 12 months	2.72%	0	0	0	0
		0	0	4,076	4,076

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

	GPB $'000	EUR $'000
Consolidated entity 30 June 2022		
Financial Assets:		
Cash and cash equivalents	**408**	**2,027**
Receivables	**1,440**	**626**
Deposit for bank guarantee	**116**	**0**
Total financial assets	**1,964**	**2,653**
Financial Liabilities :		
Borrowings and payables - due within 12 months	**0**	**1,500**
Borrowings and payables - due after 12 months	**0**	**0**
Total financial liabilities	**0**	**1,500**
Consolidated entity 30 June 2021		
	GBP	EUR
Financial Assets :	$ '000	$ '000
Cash and cash equivalents	328	283
Receivables	571	395
Deposit for bank guarantee	115	0
Total financial assets	1,014	678
Financial Liabilities :		
Borrowings and payables - due within 12 months	871	0
Borrowings and payables - due after 12 months	529	0
Total financial liabilities	1,400	0

NOTE 27 | FINANCIAL RISK MANAGEMENT CONTINUED

Sensitivity Analysis

The Group has performed sensitivity analysis relating to its exposure to interest rate risk at reporting date. This sensitivity analysis demonstrates the effect on the current year results and equity which could result from a change in this risk. At 30 June 2022, the effect on profit and equity as a result of changes in the interest rate, with all other variables remaining constant would be as follows:

		Consolidated Group	
		2022 $'000	2021 $'000
Change in profit	Increase in interest rate by 2%	**(88)**	46
	Decrease in interest rate by 2%	**88**	(46)
Change in equity	Increase in interest rate by 2%	**(88)**	46
	Decrease in interest rate by 2%	**88**	(46)

The above interest rate risk sensitivity analysis has been performed on the assumption that all other variables remain unchanged. The NAB facility was put in place in April 2022 as part of the acquisition of CQ Energy and as such the above sensitivity reflects this part year balance. If the NAB facility had been in place for the full financial year at an average drawn balance of $26.904mil (balance at 30 June 2022) the full year impact of a 2% increase in interest rates would be $538,000.

The Group has performed sensitivity analysis relating to its exposure to foreign exchange risk at reporting date. This sensitivity analysis demonstrates the effect on the current year results and equity which could result from a change in this risk. At 30 June 2022, the effect on profit and equity as a result of changes in the foreign exchange rate, with all other variables remaining constant would be as follows:

Change in profit	Increase in foreign exchange rate by 5%	**(78)**	(49)
	Decrease in foreign exchange rate by 5%	**78**	49
Change in equity	Increase in foreign exchange rate by 5%	**(423)**	(73)
	Decrease in foreign exchange rate by 5%	**423**	73

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

Credit risk

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

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

Liquidity Risk

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

NOTE 27 | FINANCIAL RISK MANAGEMENT CONTINUED

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

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

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

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

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

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

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

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

NOTE 28 | COMMITMENTS

The Group has no commitments as at 30 June 2022.

NOTE 29 | SHARE BASED PAYMENTS

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

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

The following share-based payment arrangements existed at 30 June 2022:

Equity Incentive Plan

The Equity Incentive Plan (EIP) was established on 31 October 2014 and ratified at the Annual General Meeting on 22 October 2020. The EIP allows the Company to offer employees, and directors different share scheme interests, either as exempt shares or share schemes subject to satisfying performance and service conditions set down at the time of offer.

	Consolidated Group	
	2022 $'000	2021 $'000
Total expense arising from EIP share based payments for the financial year	**887**	1,127

	2022		2021	
	No. of rights	**$ value of rights '000**	No. of rights	$ value of rights '000
Movements in share rights under the EIP for the financial year:				
Balance at the being of the financial year	**420,796**	**952**	560,238	529
Rights granted	**358,493**	**797**	289,546	1,055
Rights lapsing	**(338)**	**0**	(135,549)	0
Rights vested and issued as ordinary shares	**(272,071)**	**(992)**	(293,439)	(632)
Balance at the end of the financial year	**506,880**	**757**	420,796	952

The following table summarises the balance of share rights on hand at 30 June 2022:

Rights Holder	**Performance Conditions**	**Year of Issue**	**Rights Issue No.**	**Rights Issue Value $**
Group CEO	Revenue and profit before tax, EPS, Share price at 30 June 2022 and strategic objectives	2019 & 2022	156,991	750,151
Group CFO	Revenue and profit before tax, EPS, Share price at 30 June 2022 and strategic objectives	2022	32,831	203,224
CEO Australasia	Revenue and profit before tax, EPS, Share price at 30 June 2022 and strategic objectives	2021 / 2022	70,921	446,859
CEO Europe	Revenue and profit before tax, EPS, Share price at 30 June 2022	2021 / 2022	84,066	509,413
NED's	No performance criteria & service based only	2022	20,607	133,739
Management	Profit before tax and strategic objectives	2021 / 2022	141,464	757,846
			506,880	**2,801,232**

Notes to the Financial Statements

FOR THE YEAR ENDED 30 JUNE 2022

NOTE 29 | SHARE BASED PAYMENTS CONTINUED

All service rights are subject to the holder maintaining continuous employment from issue to vesting date unless the Board are of the view that the circumstances warrant a holder retaining their right. The Board exercised this discretion with respect to the previous Group CFO Mr Richard Standen. Rights issued value represents the number of rights issued by the EOL share price at the time of issue adjusted for any dividends accrued. The rights valuation reflected in the share based payments reserve at year end is based on issue value, the Boards' estimate in terms of performance conditions being met ie. probability of vesting and the life the right vests over.

Rights Holder	Performance Conditions	Year of Issue	Rights Issue No.	Rights Issue Value $
Group CEO	Revenue, EPS and strategic objectives	2020 & 2021	155,000	505,971
CEO Australasia	Profit before tax and strategic objectives	2021	6,925	28,046
CEO Europe	Profit before tax and strategic objectives	2021	8,515	34,486
NED's	No performance criteria & service based only	2021	30,460	122,297
Management	Profit before tax and strategic objectives	2021	71,171	310,188
			272,071	**1,000,988**

Where rights have met their vesting conditions however have a vesting date after year end these rights are treated as unvested as the holder must still meet the service conditions.

	Consolidated Group	
	2022 $'000	2021 $'000
Average issue price (in $)	**$6.43**	4.16

272,071 share rights vested during the year ended 30 June 2022 (2021: 293,439) and 338 share rights lapsed (2021: 135,549). 358,493 share rights were issued during the year ended 30 June 2022. The average share price at the date of issue was $6.43. The exercise price is $nil (2021: $nil). The average share price during the financial year was $6.16 (2021: $5.33).

The weighted average remaining contractual life of the share rights under the EIP outstanding at the end of the financial year was 0.37 years (2021: 0.65 years).

Subsequent to 30 June 2022 the Board have approved the vesting of 105,233 share rights issued prior to FY2022 and 59,263 share rights issued in FY2022. 265,678 rights issued in FY2022 will lapse and 33,552 rights issued in FY2022, including those issued to the non-executive directors, are subject to service conditions only. 40,228 share rights issued in FY2021 will vest 31 August 2023 subject to service conditions. Service rights issued to French staff in FY2022 are subject to service conditions only with 2,945 rights due to vest 1 December 2022. The 506,880 rights on issue at 30 June 2022 are due to vest at the following dates:

	No. of Rights	Vest	Lapsed	Service Requirement
31/08/2022 to 31/03/2023	429,899	164,496	231,851	33,552
31/08/2023	59,336	0	19,108	40,228
31/08/2024	17,645	0	17,645	0
	506,880	**164,496**	**268,604**	**73,780**

Key Estimates - Share based payment

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

Notes to the Financial Statements

FOR THE YEAR ENDED 30 JUNE 2022

NOTE 30 | PARENT ENTITY DISCLOSURES

The following information has been extracted from the books and records of the parent, Energy One Limited and has been prepared in accordance with Accounting Standards.

	2022 $'000	2021 $'000
Current assets	**2,414**	4,440
Non current assets	**63,480**	20,157
Total Assets	**65,894**	24,597
Current liabilities	**11,877**	4,995
Non current liabilities	**27,076**	2,154
Total Liabilities	**38,953**	7,149
Net Assets	**26,941**	17,448
Issued capital	**29,773**	19,812
Reserves	**599**	863
Accumulated losses	**(3,431)**	(3,227)
Total Equity	**26,941**	17,448
Profit before income tax	**1,688**	1,821
Income Tax Expense	**(329)**	(254)
Profit for the year of the parent entity	**1,359**	1,567
Total comprehensive income for the parent entity	**1,359**	1,567

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

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

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

Directors' Declaration

In the directors' opinion:

a. the financial statements and notes set out on pages 36 to 68 are in accordance with the Corporations Act 2001, including:
   i. complying with Accounting Standards, which, as stated in accounting policy Note 1 to the financial statements, constitutes explicit and unreserved compliance with International Financial Reporting Standards (IFRS), the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
   ii. giving a true and fair view of the Consolidated entity's financial position as at 30 June 2022 and of its performance, for the financial year ended on that date; and
b. the Chief Executive Officer and the Chief Financial Officer have declared that:
   i. the financial records of the Company for the financial year have been properly maintained in accordance with s 286 of the Corporations Act 2001;
   ii. the financial statements and notes for the financial year comply with Accounting Standards; and
   iii. the financial statements and notes for the financial year give a true and fair view; and
c. there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

On behalf of the Directors

ANDREW BONWICK
Chairman

23 September 2022

SHAUN ANKERS
Chief Executive Officer (CEO)

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INDEPENDENT AUDITOR'S REPORT

To the members of Energy One Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Energy One Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2022, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial report, including a summary of significant accounting policies and the directors' declaration.

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

(i) Giving a true and fair view of the Group's financial position as at 30 June 2022 and of its financial performance for the year ended on that date; and

(ii) Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for opinion

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

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

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

Key audit matters

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

Key audit matter	*How the matter was addressed in our audit*
Impairment of Intangible Assets and Software Development The Group has intangible assets, software development assets, brand assets, customer list assets, consisting of capitalised development costs that has been acquired and internally developed with a carrying value of $19.2m (refer to Note 13) and intangible assets, consisting of goodwill and recognised patents of $38.4m, brand assets with a carrying value of $1.9m and customer lists with a carrying value of $12.7m (refer to Note 14). This was determined to be a key audit matter as the determination of the value-in-use of each cash generating units (CGU) and whether or not an impairment charge is necessary, involved judgements and estimates by management regarding the future growth rates of the cash flows in each CGU, the discount rates applied to those cash flows, and other key assumptions required in determining the appropriate value-in-use.	Our audit procedures to address this key audit matter included, but were not limited to: • Assessing the appropriateness of identified CGU's and the allocation of carrying value of assets to identified CGUs; • Obtaining the Group's value in use model and reviewing consistency of the cash flows with historical trends, future budgets approved by management and those charged with governance and future contracted revenue; • Corroborating the assumptions for the key inputs in the value in use model such as forecast revenue, forecast costs, discount rates and terminal growth rates; • Performing tests over the mathematical accuracy of the model and the underlying calculations; • Performing a sensitivity analysis on the key financial assumptions in the model; and • Assessing the adequacy of key disclosures within the financial statements. For software development assets, we also performed the following specific tests: • Reviewing the reasonableness of the useful life of software development assets and checking the accuracy of amortisation expenses recognised during the period; and • Comparing trends in sales by product with the specific software development assets to ensure the assets capitalised were expected to generate future economic benefits to the Group. For customer list assets, we also performed the following specific tests: • Review of reasonableness of the useful life of acquired customer lists, in relation to customer churn, checking the accuracy of amortisation expenses recognised during the period.

Key audit matter	*How the matter was addressed in our audit*
Recognition of Revenue from Licenses and Related Services As disclosed in Note 2, recognition of revenue from license and related services is determined as an area of key estimate and judgement on the basis of the following: • Management recognise revenue based on the best estimate of expected revenue to be received for individual contracts; • Project and implementation revenue are recognised by reference to the stage of completion of individual contracts and there is judgement associated with determining the stage of completion; and • There is judgement associated with determining whether the license fee portion of revenue contracts should be recognised at a point in time or over time, depending on the nature of the activities required under the contract. Due to the nature of the key estimates and judgements, this has been determined as a key audit matter.	Our audit procedures to address this key audit matter included, but were not limited to: • Reviewing the appropriateness of management's judgements associated with the fair value of consideration expected to be received by reference to the terms of the individual contract and the history of receipt for each individual customer; • Evaluating the accuracy of managements judgements associated with the stage of completion of individual contracts by testing the accuracy of assumptions in relation to services performed to date against the expected total services to be provided under the contact; • Evaluating the reasonableness of managements judgements associated with the recognition of license fee revenue at a point in time or over time by reference to the specific contract in place and the understanding of the activities required under those contracts; • Review revenue recognition policies to ensure revenue is recorded in accordance with AASB 15 Revenue from Contracts with Customers; and • Review the completeness and accuracy of disclosures in the annual financial report to ensure compliance with AASB 15.

Key audit matter	*How the matter was addressed in our audit*
Accounting for business combinations As disclosed in Note 22 of the financial report, the group completed the acquisitions of Egssis N.V. and and CQ Partners Group during the year. The accounting for the acquisition of Egssis N.V. has been finalised as at 30 June 2022. The accounting for the acquisition of CQ Partners Group is provisional as at 30 June 2022. The accounting for these business acquisitions is considered a key audit matter due to the size of the acquisitions and the significant judgements and assumptions undertaken by management, including: • Determination of the fair value of the consideration transferred, including elements of contingent consideration relating to an earn-out mechanism; and	Our audit procedures to address this key audit matter included, but were not limited to: • Obtaining and reviewing the executed Share Purchase Agreements and other key documents, to understand the key terms and conditions of the transactions; • Performing an assessment of the fair value of the consideration transferred, agreeing to relevant supporting information and challenging key assumptions applied in determining the fair value of the consideration transferred; • Evaluating the fair value of the identifiable assets and liabilities acquired, agreeing balances recognised at acquisition date to supporting documentation; • Assessing management's estimation of the fair value of the identifiable intangible assets acquired, including; o Reviewing the purchase price allocation report, prepared by management's expert;

Key audit matter	*How the matter was addressed in our audit*
• Determination of the fair value of the assets and liabilities acquired, including identifiable intangible assets and goodwill.	o Evaluating the methodology applied by management's expert in determining the fair value of the assets acquired; o Reviewing and challenging the key assumptions applied in deriving the fair value of the assets and liabilities; • Reviewing the allocation of the purchase price across the identifiable assets and liabilities of the businesses, ensuring any excess consideration is recognised as goodwill on acquisition, noting the accounting for the CQ Partners Group transaction was provisional at 30 June 2022; and • Ensuring the disclosures within the financial report are adequate in accordance with the requirements within AASB 3 Business Combinations.

Other information

The directors are responsible for the other information. The other information comprises the information in the Group's annual report for the year ended 30 June 2022, but does not include the financial report and the auditor's report thereon.

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

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

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

Responsibilities of the directors for the Financial Report

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

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

Auditor's responsibilities for the audit of the Financial Report

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

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website (http://www.auasb.gov.au/Home.aspx) at:

https://www.auasb.gov.au/admin/file/content102/c3/ar1_2020.pdf

This description forms part of our auditor's report.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in the directors' report for the year ended 30 June 2022.

In our opinion, the Remuneration Report of Energy One Limited, for the year ended 30 June 2022, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

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

BDO Audit Pty Ltd

BDO

Clayton Eveleigh
Director

Sydney, 23 September 2022

Shareholder Information

Additional Securities Information

The additional information required by the ASX Limited Listing rules and not disclosed elsewhere in this report is set out below. This information is effective as at 15 September 2022.

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

The total number of shareholders is 1,256. There are 27,699,568 ordinary fully shares listed on the Australian Securities Exchange. The twenty largest shareholders hold 20,752,145 ordinary shares and 74.92% of the Company's issued capital. The number of shareholdings held in less than marketable parcels is 82 representing 4,545 ordinary shares.

Pursuant to the Employee Incentive Plan the following rights converted to shares post 30 June 2022:

Date	Rights Type	No. Converted
9/09/2022	Group CEO	75,498
9/09/2022	Australian management	57,219
9/09/2022	Europe staff and management	31,779
		164,496

Distribution of Security Holders

	Ordinary Shares	
Holdings Ranges	**Holders**	**Number**
1 - 1,000	778	313,456
1,001 - 5,000	292	706,258
5,001 - 10,000	70	512,191
10,001 - 50,000	62	1,249,051
50,001 - 100,000	18	1,316,268
100,001 and over	36	23,602,344
Totals	1,256	27,699,568

Substantial Shareholders

	Ordinary	
Holdings Ranges	**Shares**	**Percentage**
The substantial shareholders are set out below:		
Mr Ian Ferrier	7,054,815	25.47%
Mr Vaughan Busby	4 ,145,655	14.97%
Topline Capital LP	2 ,304,732	8.32%
Regal Funds Management Pty Ltd	1 ,583,916	5.72%

Voting Rights

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

Share Rights - No voting rights

Unquoted Securities

Share Rights - There are 73,780 share rights unvested at 23 September 2022.

Shareholder Information

Additional Securities Information continued

		Number Held	% of Issued Shares
Twenty Largest Shareholders - Ordinary Shares			
1	Sonpine Pty Limited	5,599,382	20.21%
2	Mr Vaughan Busby	3,094,719	11.17%
3	BNP Paribas Nominees Pty Ltd	2,304,732	8.32%
4	Merrill Lynch (Australia) Nominees Pty Limited	1,679,815	6.06%
5	Polding Pty Ltd	1,071,724	3.87%
6	Mr Ottmar Weiss	789,764	2.85%
7	Rearden Group Pty Ltd	739,499	2.67%
8	Moat Investments Pty Ltd	653,511	2.36%
9	Pacific Custodians Pty Limited	624,666	2.26%
10	Abbysah Pty Limited	533,189	1.92%
11	Mast Financial Pty Ltd	491,821	1.78%
12	Guerilla Nominees Pty Ltd	392,650	1.42%
13	HSBC Custody Nominees (Australia) Limited	387,580	1.40%
14	May James Consulting Pty Ltd	382,875	1.38%
15	Mrs Emma Jane Gracey	365,083	1.32%
16	Ankers Super Fund Pty Ltd	354,817	1.28%
17	Susan Lediaev & Ian Tannebring Family Trust	327,333	1.18%
18	R&L Evans Family Trust	327,333	1.18%
19	L&J Fusco family Trust	327,333	1.18%
20	Shaun Ankers	304,319	1.10%
		20,752,145	74.92%

Corporate Information

www.energyone.com

Directors & Officers

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

Corporate Governance Statement
energyone.com/investors/governance/

OFFICES

Principal, Registered & Sydney Office
Level 13, 77 Pacific Highway
North Sydney, NSW 2060

PO Box 6400
North Sydney, NSW 2060
Tel: +61 2 8916 2200

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

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

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

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

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

Adelaide Office
143/220 Greenhill Road
Eastwood, SA 5063

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

Egssis - Belgium
Korte Keppestraat 7/32A
Aalst, Belgium 9320
Tel: +32 (0) 2 45 61 71 0

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

Bankers
National Australia Bank
Ground Level 330 Collins Street
Melbourne, VIC 3000

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

ENERGY ONE LIMITED SHARES ARE LISTED ON THE AUSTRALIAN STOCK EXCHANGE (ASX) CODE : EOL
ABN: 37 076 583 018

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Facilitating the renewable energy revolution
energyone