



ENERGY ONE LIMITED

ABN 37 076 583 018

**APPENDIX 4E
for the year ended 30 June 2024**

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Reporting Period

Previous Reporting Period

for the year ended 30 June 2024

for the year ended 30 June 2023

Results for announcement to the market	2024	2023	Change
	\$ '000	\$ '000	%
Revenue and other income	52,458	44,953	17%
EBITDA	9,980	10,885	(8%)
Profit before income tax	2,318	4,265	(46%)
Profit from ordinary activities after tax attributable to owners	1,441	2,951	(51%)
Statutory Earnings Per Share (EPS) non diluted	4.90	10.06	(51%)
Net tangible asset backing per ordinary share shown in cents **	(3.25)	(24.85)	87%
** NTA includes software development used to generate income and excludes deferred tax assets			

Commentary

Please refer to the attached Chief Executive Officer's Report and consolidated financial statements for the year ended 30 June 2024

Other information

Control gained over entities having a material effect

N/A

Loss of control over entities having a material effect

N/A

Details of associates and joint venture entities

There are no associates or joint venture entities.

Audit Status

This report is based on accounts that are in the process of being audited.

Attachments

Further disclosure requirements can be found in the notes to the attached 30 June 2024 Consolidated Financial Statements.

Reporting Period
Previous Reporting Period

for the year ended 30 June 2024
for the year ended 30 June 2023

Dividends	Amount per ordinary share	Franked Amount per ordinary share
Dividend (declared, not provided at 30 June 2024)	Nil	Nil
There is no dividend declared or proposed in respect of the Financial Year ended 30 June 2024.		
Dividend paid during the 2024 financial year	Nil	Nil
There was no dividend declared or paid during the Financial Year ended 30 June 2024.		
Dividend paid during the 2023 financial year	6.00 Cents	0.00 Cents
The record date for the dividend was 30 September 2022 . The payment date for the dividend was 20 October 2022.		
There was no other dividend paid or declared for the year ended 30 June 2024.		



Shaun Ankers - Chief Executive Officer
20 August 2024

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Chief Executive Officer's Report

The FY24 year was fairly tumultuous for the Company - a rejected takeover, a cyber-attack and a re-structure. These things were challenging and cost us additional expense, temporarily affecting the earnings of the Company. However, the re-structure (and consequent savings) will also produce earnings benefits going forward.

The good news is that (despite all this) we showed a clean pair of heels, with 12 months of organic growth in operating revenues of 17% to \$52.5M.

Recurring revenues (always a key focus) were up 19% on the FY23 year. This shows the Company has good offerings and can grow strongly, even in the most trying of times.

As mentioned, our growth in this past year has been entirely organic, having no inorganic (acquired) revenue forthcoming in the 12 months.

Our diversified revenue model also continues to show its strength. For many years, we have focused on building recurring revenues and having multiple product/service revenue streams. In the past year, for example, we were able to grow top line revenues strongly despite seeing a 47% (temporary) downturn in one of our business lines (brokerage). We are seeing the signs of recovery in this business.

Trading operations revenue saw a lift of 13% for the CQ (Adelaide) business. This very respectable growth for a business that we have elected to move into in recent years (software with services).

For the year, recurring revenues were 89% of total revenues. This is consistent with our longstanding performance. The one-off (project/advisory) revenue grew by 20% on the prior year. The one-off revenues generally arise from implementation works and this was seen strongly attributed to the UK and European businesses, in which customers returned to us for larger projects (compared to prior periods). Conversely the Australian business saw a slight reduction in this type of income, caused by signing or project delays, but we did see an uptick in the last part of the year (Q4).

As mentioned, expenses were also up. Much of these were one-off expenses with the takeover, the cyber attack and the re-structure accounting for some \$1.8M of costs. Furthermore, we saw a rise in salary costs of 28%. This is much higher than we are comfortable with historically and can be explained by a combination of new roles to support the growth in Europe as well as trading operations and greater compliance capability, as well as upward salary pressure through market demand for specialist energy trading resources. In addition, the transition from being a smaller company to being a medium-sized, global company has called for additional expert and senior roles and management expertise. These elements are easing as we have right-sized the business. For the year ahead, we expect to see salary growth in more moderate proportion. Finance charges also increased 25% in response to interest rate rises.

All of these things fed into a decline in earnings with comparative EBITDA (vs prior year and net of one-offs) declining 1%. On the same basis, Net Profit Before Tax (NPBT) declined 21%.

Our EBITDA margin was therefore also eroded to 23% of revenue (down from 27% in FY23). As a management team, we are conscious of the need to demonstrate (not only) revenue growth, but also earnings growth, to show that operational leverage is a feature of the business model. For the year ahead, we have set a goal to increase margin, not least by constraining costs growth to a proportion of sales growth. This has been established in our budgets and remains an objective for us to deliver upon.

Year in review

Energy One provides essential, mission-critical software and services to our customers in the wholesale gas and power (electricity) markets. Our customers are generators, suppliers, users, shippers, retailers and traders of the most vital commodity in the world today. We have solutions for all aspects of the wholesale energy market, including a major ongoing on technology solutions for renewables energy projects like wind, solar and batteries.

During the year, we won several new accounts, including 1 large, 7 medium and 30 smaller (but still >\$100k p.a) installs. As mentioned, these were all achieved organically, from natural growth. Of these wins, 70% were in the physical/scheduling space, reflecting our observation (and strategy) to pursue the *short-term* (typically intra-day or day-ahead) side of the market, as that is an area of strong growth. Our recent investments via our acquisitions of eZ-nergy, Egssis and CQ all support this side of the market – and our investments in operational services, as well as products for batteries, for auto-bidding and for nominations/scheduling are all supportive of the strategy.

On the technology side, we have made good progress with our cybersecurity investments, recently going live with 24/7 Security Operations Center monitoring of our systems and numerous other investments. Whereas the focus has been to ensure robust best-practice cybersecurity for the business, we are also making progress towards ISO27001, for which we expect to receive accreditation during 2025. The board is investing more than \$1m in the FY25 year towards these initiatives.

As shareholders will know, we have conducted a re-organization of the business, to operate on conventional software company structure being a hybrid of global functional roles, supporting country management for sales and service delivery. In recent months we have made a number of new senior role appointments, including a Global CTO and CISO, both based in Europe, to provide additional geographical balance to our executive ranks and support that growth runway.

Our re-structure has performed well, and several global project successes have been achieved, including a global HR system, a global CRM, global risk management platform and other back-office systems, with numerous other initiatives well underway (e.g. global support desk/ticketing system). We already have the Europe operational night shift covered from Australia and shortly, we will have additional coverage (for Australian operations) located in our Paris office.

In so doing, we will have been able to complete global coverage for our operations. Our next step is to move towards common systems and a seamless, rolling, follow the-sun support for both software and services. Given the complexity and diversity of markets and customers, this is no mean feat and is a big project but is ultimately highly beneficial when we offer (initially) Level 1 support globally via a single contact point. It is unlikely any other vendor offers these advantages to customers, and this gives us yet another differentiator.

We (for many years) have targeted a one-stop-shop positioning. At the recent E-World trade show, 40% of visitors to our stand ticked 'more than one box' showing their interest in multiple solutions. Again, this confirms to us that the positioning is valuable and that customers are interested in a suite of solutions.

We have previously discussed the decentralizing energy market and the rise of renewables and battery storage. To this end, we are progressing development of an AI-based price forecasting solution to add to our established suite of products (which include optimization and automated

bidding tools for pool markets) for batteries and renewables. In short term markets, it is essential to have rapid analytical, transactional and optimization tools for the purposes of enabling asset-owners to optimize their asset or economic gain in the real time via fast-paced energy and ancillary services markets.

The year ahead

As mentioned, we have continued to win accounts with renewables and other participants for our innovative and comprehensive solutions.

In addition to wins in the past year, we continue to build our pipeline. With the rollout of a global CRM during the year, our data capture of opportunities is now much improved. On average, we win about half of our opportunities, depending on the solution type and levels of competition for each.

It should be noted that a feature of this market, is that projects are delayed or cancelled, perhaps because customers change their minds or experience some other externality. For us, 40% of 'lost' opportunities are flagged as this reason. Opportunities lost purely to price or functionality are lower (<20% each). Often however, this data is skewed by a prospect simply 'exploring the market' while likely intending to remain on their existing/incumbent approach. In-house (i.e. build) is still popular among some (often larger) customers.

On the wins side, our data show that 50% of the time, when we win a project, the main reason given is 'existing relationship'. This demonstrates how well we serve our customers both via customer-service, but also with offering appropriate solutions for their evolving needs.

Nonetheless, we believe we can improve the size of our pipeline coverage and will be focusing on improving our efficacy in this area. Whereas we believe we have made good progress with marketing – we will invest in more (and globally) coordinated sales behaviours. Some notable examples of our increased visibility are mentioned here:

- Over 89,000 visits to the Energy One website in FY24: 89% were new visitor sessions;
- 290 leads/enquiries received through the website in the year: 80% from new contacts;
- Exhibited at 7 industry events globally and hosted 3 events/webinars in FY24
- Over 3,500 new followers to the Energy One LinkedIn page in FY24

As mentioned above, we enter the FY25 with the intention to focus on our core business and improve sales and margins. Nonetheless, we do keep a watch (and dialogue) with potential acquisition opportunities and if a suitable example arises, we will act upon it.

Given our wish to focus on core business, the Board has elected (at this time) to not provide guidance. This position will be reviewed as the first half unfolds.

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

Shaun Ankers

Chief executive Officer

20 August 2024



**Consolidated Financial Statements
for the year ended 30 June 2024**

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Consolidated Statement of Profit or Loss and Other Comprehensive Income
for the year ended 30 June 2024

	Note	Consolidated Group	
		2024 \$ '000	2023 \$ '000
Revenue and other income			
Revenue	2	52,182	44,725
Other income	2	276	228
		<u>52,458</u>	<u>44,953</u>
Expenses			
Direct project costs		(3,875)	(3,000)
Employee benefits expense	3	(28,285)	(22,116)
Depreciation and amortisation expense	3	(5,709)	(5,025)
Rental expenses on short term leases		(69)	(104)
Consulting expenses		(3,079)	(2,686)
IT and communication		(1,425)	(958)
Insurance		(646)	(600)
Accounting fees		(662)	(543)
Finance costs	3	(1,985)	(1,595)
Acquisition and related expenses		(410)	(350)
Travel and accommodation		(867)	(852)
Other expenses		(3,128)	(2,859)
		<u>(50,140)</u>	<u>(40,688)</u>
Profit before income tax		<u>2,318</u>	<u>4,265</u>
Income tax expense	4	(877)	(1,314)
Profit after income tax attributable to owners of the parent entity		<u>1,441</u>	<u>2,951</u>
Other comprehensive income :-			
Profit after income tax attributable to owners		1,441	2,951
Exchange differences arising from translation of foreign entities		(526)	1,731
Total comprehensive income		<u>915</u>	<u>4,682</u>
Total comprehensive income attributable to owners of the parent entity		<u>915</u>	<u>4,682</u>
Basic earnings per share (cents per share)	7	4.90	10.06
Diluted earnings per share (cents per share)	7	4.87	9.97

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 2024

	Note	Consolidated Group	
		2024 \$ '000	2023 \$ '000
Current Assets			
Cash and cash equivalents	8	1,970	951
Trade and other receivables	9	7,416	7,390
Income tax receivable		114	566
Other assets	10	1,584	1,279
Total Current Assets		11,084	10,186
Non-Current Assets			
Property, plant and equipment	11	509	497
Lease right-of-use assets	12	3,115	3,286
Software development	13	23,526	22,437
Intangible assets	14	52,014	52,990
Other assets	10	93	156
Deferred tax asset	4	2,115	1,513
Total Non Current Assets		81,372	80,879
Total Assets		92,456	91,065
Current Liabilities			
Trade and other payables	15	5,145	5,936
Lease liabilities	12	1,162	1,143
Borrowings	16	2,500	2,500
Contract liabilities	18	5,871	5,358
Employee provisions	17	1,474	1,365
Total Current Liabilities		16,152	16,302
Non-Current Liabilities			
Trade and other payables		10	28
Lease liabilities	12	2,064	2,336
Borrowings	16	13,651	18,140
Contract liabilities	18	223	365
Deferred tax liability	4	6,273	6,022
Employee provisions	17	967	812
Total Non Current Liabilities		23,188	27,703
Total Liabilities		39,340	44,005
Net Assets		53,116	47,060
Equity			
Contributed equity	19	44,718	40,051
Reserves	20	1,396	1,448
Accumulated profits		7,002	5,561
Total Equity		53,116	47,060

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

Consolidated Statement of Changes in Equity
for the year ended 30 June 2024

Consolidated Group

		Contributed Equity	Share Based Payment Reserve	Foreign Exchange Reserve	Accumulated Profits / (Losses)	Total
	Note	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000
Balance as at 1 July 2022		29,773	757	(656)	4,365	34,239
Profit after income tax for the year		0	0	0	2,951	2,951
Other comprehensive income for the year, net of tax		0	0	1,731	0	1,731
Total comprehensive income for the year		0	0	0	2,951	2,951
Transactions with owners in their capacity as owners:						
Share issues	19	9,243	0	0	0	9,243
Dividends paid	6	0	0	0	(1,755)	(1,755)
Other transactions:						
Share based payments	19	121	530	0	0	651
Shares vesting	19	914	(914)	0	0	0
Balance at 30 June 2023		40,051	373	1,075	5,561	47,060
Profit after income tax for the year		0	0	0	1,441	1,441
Other comprehensive income for the year, net of tax		0	0	(526)	0	(526)
Total comprehensive income for the year		0	0	(526)	1,441	915
Transactions with owners in their capacity as owners:						
Share issues	19	4,117	0	0	0	4,117
Dividends paid	6	0	0	0	0	0
Other transactions:						
Share based payments	19	95	929	0	0	1,024
Shares vesting	19	455	(455)	0	0	0
Balance at 30 June 2024		44,718	847	549	7,002	53,116

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

Consolidated Statement of Cash Flows

for the year ended 30 June 2024

		Consolidated Group	
		2024	2023
	Note	\$ '000	\$ '000
Cash Flows from Operating Activities			
Receipts from customers		56,799	46,824
Payments to suppliers and employees		(46,971)	(36,709)
Finance costs including lease interest		(2,153)	(1,687)
Interest received		32	0
Income tax paid		(733)	(1,754)
Net cash provided by operating activities	8	6,974	6,674
Cash Flows from Investing Activities			
Payment property, plant and equipment	11	(254)	(315)
Payment for software development costs	13	(4,808)	(5,119)
Payment for acquisition of business	22	0	(5,100)
Net cash used in investing activities		(5,062)	(10,534)
Cash Flows from Financing Activities			
Proceeds from borrowings		0	0
Repayment of borrowings		(4,489)	(6,264)
Receipts from share issues		4,667	9,858
Payment of dividend		0	(1,336)
Lease payments		(1,071)	(795)
Net cash provided by financing activities		(893)	1,463
Net increase / (decrease) in cash held		1,019	(2,397)
Cash and cash equivalents at beginning of financial year		951	3,348
Cash and cash equivalents at end of financial year	8	1,970	951

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

Notes to the Financial Statements

for the year ended 30 June 2024

Note 1 Material Accounting Policy Information

The accounting policies that are material to the consolidated entity are set out below. The accounting policies adopted are consistent with those of the previous financial year, 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 20 August 2024. 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 2024 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 inflows (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 2024

Note 1 Material Accounting Policy Information (continued)

(f) New and amended standards adopted by the Group

The Group also adopted Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2) from 1 January 2023. Although the amendments did not result in any changes to the accounting policies themselves, they impacted the accounting policy information disclosed in the financial statements.

Tha amendments require the disclosure of 'material', rather than 'significant', accounting policies. The amendments also provide guidance on the application of materiality to disclosure of accounting policies, assisting entities to provide useful, entity-specific accounting policy information that users need to understand other information in the 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.

	Consolidated Group	
	2024	2023
	\$ '000	\$ '000
Note 2 Revenue and Other Income		
<i>Revenue from contracts with customers</i>		
Licences	28,953	24,322
Support, hosting and other services	10,762	8,792
Project implementation	4,929	4,081
Operations support and advisory	6,751	6,038
CQ brokerage and advisory	787	1,493
	<u>52,182</u>	<u>44,725</u>
Recurring revenue included in above	<u>46,466</u>	<u>39,152</u>
<i>Other income</i>		
Interest income	32	0
Government grant and other income	75	63
Research and development incentive income	169	165
	<u>276</u>	<u>228</u>
Total Revenue and Other income	<u>52,458</u>	<u>44,953</u>

Notes to the Financial Statements

for the year ended 30 June 2024

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 previous financial year brokerage revenue was receivable both on contract finalisation as well as through trailing commission. Trailing commission is payable whilst the relevant instrument remains in place and would not be payable if the contract was cancelled. Trailing commission is brought to account in the year the contract is effective on a discounted basis that allows for the risk of contract cancellation as well as other factors leading to non payment. EOL consider that based on previous transactions and experience the likelihood of a contract being cancelled is low and on this basis has recognised the trailing commission. 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. Note 23 contains further details of CQ Energy revenue within this segment note.

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 2024

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 2024, 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. R&D tax credits have been recognised in relation to France (R&D activities in financial years 2021-2023) as well as the United Kingdom (R&D activity in financial years 2023 & 2024). R&D submissions may included multiple years in order to best maximise the efficiencies of sourcing and preparing information to support claims.

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

The consolidated income statement includes the following specific expenses :

		Consolidated Group	
		2024	2023
	Note	\$ '000	\$ '000
Depreciation and amortisation			
Depreciation - Plant and equipment	11	238	232
Amortisation - Lease right-of-use	12	1,162	1,103
Amortisation - Software development	13	3,511	3,045
Amortisation - Customer lists	14	743	763
Amortisation - Patents	14	1	2
Foreign currency translation		54	(120)
		<u>5,709</u>	<u>5,025</u>
Finance costs			
Interest and finance charges on borrowings		1,870	1,485
Interest and finance charges on lease liabilities		115	110
		<u>1,985</u>	<u>1,595</u>
Employee benefit expenses			
Superannuation and pension expense		2,423	1,932
Employee share plan benefits	29	1,024	651
Other employee benefits		24,838	19,533
		<u>28,285</u>	<u>22,116</u>

Notes to the Financial Statements

for the year ended 30 June 2024

Note	Income Tax Expenses	Consolidated Group	
		2024 \$ '000	2023 \$ '000
Note 4			
(a)	The components of tax expense comprise:		
	Current tax	1,478	1,527
	Prior year tax adjustment	40	179
	Foreign exchange variance	7	(24)
	Deferred tax	(953)	(298)
	Deferred tax rate change	(102)	0
	Dererred tax liability rate change	710	0
	R&D claim offset	(303)	(70)
	Income tax expense	877	1,314
(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 30.0% (2023: 25%)	649	1,121
	Tax effect of differing overseas tax rates	(92)	(27)
	Add tax effect of non-deductible expenses (excluding R&D)	(42)	209
	Income tax expense before effect of R&D Incentive and prior period tax adjustments :-	515	1,303
	Tax effect of Australian R&D incentive received in prior years	41	66
	R&D claim offset current year	(303)	(70)
	Deferred tax rate change	(102)	0
	Acquisition deferred tax liability rate change	710	0
	Prior year tax adjustment	16	15
	Income tax attributable to entity	877	1,314
(c)	Net deferred tax :-		
	Opening balance	(4,509)	(4,648)
	Charged to income	491	(330)
	Deferred tax liability on prior years acquisitions	463	391
	Foreign exchange variance	38	37
	Prior year tax adjustment	(33)	41
	Acquisition deferred tax adjustment tax rate change	(608)	0
	Closing balance net deferred tax asset / (liability)	(4d) (4,158)	(4,509)
(d)	Deferred tax comprises temporary differences attributable to:		
	Amounts recognised in profit or loss:		
	Contract assets	(194)	(285)
	Prepayments	(73)	(70)
	Software	(1,329)	(1,199)
	Contract liabilities	1,076	813
	Accrued expenses	198	175
	Provision & Employee Benefits	757	497
	Other temporary differences	84	28
	Deferred tax liability on acquisition of customer lists CQ Energy	(3,178)	(2,823)
	Deferred tax liability on acquisition of software and customer lists Egssis	(520)	(598)
	Deferred tax liability on acquisition of software of eZ-nergy	(483)	(582)
	Deferred tax liability on acquisition of software of Contigo Software Limited	(496)	(465)
		(4,158)	(4,509)
(e)	The Group has no unrecognised accrued tax losses at 30 June 2024 (2023: \$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.

Notes to the Financial Statements

for the year ended 30 June 2024

Note 4 Income Tax Expenses (continued)

The net deferred tax above is comprised of deferred tax asset \$2,115,000 and deferred tax liability \$6,273,000 (2023: \$1,513,000 and deferred tax liability \$6,022,000). 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.

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 ended 30 June 2024, the Company recognised incentives associated with the R&D activities in France relating to the FY2021, 2022 and 2023 years. Incentives in relation to R&D activities within the UK for FY2023 and FY2024 were also recognised. In the current and 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

The Auditor of Energy One Limited is BDO Audit Pty Ltd and related network firms.

Fees paid or payable for audit services :-

Auditing and reviewing the financial reports -

Group

Subsidiaries

Fees paid or payable for other services -

Taxation and business advisory services

Acquisition and share scheme reviews

Consolidated Group

2024	2023
\$	\$
202,111	216,800
206,773	157,056
205,869	85,813
47,374	83,534
662,127	543,203
2024	2023
\$ '000	\$ '000

Note 6 Dividends

Dividends declared and paid during the year

Franking account balance

0	1,755
0	391

No dividend has been declared or is payable in respect of the 2024 & 2023 financial year.

Notes to the Financial Statements

for the year ended 30 June 2024

Consolidated Group

Note	2024	2023
	\$ '000	\$ '000
Note 7 Earnings per Share		
Basic EPS (cents per share)	4.90	10.06
Diluted EPS (cents per share)	4.87	9.97
Earnings used in calculating basic and diluted earnings per share (\$ '000)	1,441	2,951
Weighted avg. number of ordinary shares used in calculating basic earnings per share ('000)	29,437	29,320
Weighted avg. number of share rights outstanding ('000)	172	292
Weighted avg. number of ordinary shares used in calculating diluted earnings per share ('000)	29,609	29,612

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 311,387 (2023: 477,204) share rights outstanding at 30 June 2024. 57,520 (2023: 113,574) share rights issued subject to performance provisions being met are excluded in the calculation of diluted earnings per share as the performance conditions are unlikely to be satisfied (refer Note 29).

Note 8 Cash and Cash Equivalents

Cash and cash equivalents at end of financial year	1,970	951
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The Parent Company has a finance facility with National Australia Bank (NAB) since 11 April 2022. The Group's exposure to interest rate risk is discussed in Note 27.

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

Profit from ordinary activities after income tax	1,441	2,951
Non-cash flows in profit from ordinary activities :		
Depreciation and amortisation	5,709	5,025
Foreign exchange	1,192	(88)
Changes in assets and liabilities, net of the effects of purchase of subsidiaries :		
(Increase)/decrease in trade and other receivables	(26)	(2,454)
(Increase)/decrease in other assets	(243)	(203)
(Increase)/decrease in deferred tax assets and liabilities	(351)	(140)
Increase/(decrease) in trade and other payables	(1,890)	688
Increase/(decrease) in income tax payable	495	(300)
Increase/(decrease) in provisions	276	222
Increase/(decrease) in contract liabilities	371	973
Net cash provided by operating activities	6,974	6,674

Notes to the Financial Statements

for the year ended 30 June 2024

		Consolidated Group	
		2024	2023
		\$ '000	\$ '000
Note 9	Trade and Other Receivables		
<i>Current</i>	Trade receivables	6,314	5,641
	Provision for expected credit losses	(73)	(11)
	Contract assets	1,141	1,574
	Other receivables	34	186
		7,416	7,390

(a) Contract assets

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

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

<i>Opening balance</i>	1,574	1,141
<i>Amounts invoiced during the year</i>	(3,745)	(1,804)
<i>Amounts accrued during the year</i>	3,608	2,237
<i>Written-off during the year</i>	(296)	0
<i>Closing balance</i>	1,141	1,574

(b) R&D Tax Incentive

The Company is expecting research and development tax incentives (refer Note 2) relating to R&D activities in France and the United Kingdom.

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.

		Gross amount	Within initial trade terms	31-60 days	61-90 days	>90 days
2024	in \$'000					
Trade receivables and contract assets		7,455	6,650	196	346	263
Other receivables		34	11	0	0	23
Expected credit losses		(73)	0	0	0	(73)
Total		7,416	6,661	196	346	213
2023	in \$'000					
Trade receivables and contract assets		7,215	6,704	123	146	242
Other receivables		186	186	0	0	0
Expected credit losses		(11)	0	0	0	(11)
Total		7,390	6,890	123	146	231

Trade receivables and contract assets are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Trade receivables are generally due for settlement within 30 days. The Group has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue. The expected credit loss determined using the simplified approach is \$73,000 (2023: \$11,000). Contract assets are included within initial trade terms as they are subject to 30 days credit terms on billing.

Notes to the Financial Statements

for the year ended 30 June 2024

		Consolidated Group	
		2024	2023
		\$ '000	\$ '000
Note			
Note 10	Other Assets		
<i>Current</i>	Prepayments and deposits	<u>1,584</u>	<u>1,279</u>
<i>Non current</i>	Prepayments and deposits	<u>93</u>	<u>156</u>
Note 11	Property, Plant and Equipment		
	Plant and equipment at cost	2,247	2,055
	Accumulated depreciation	<u>(1,766)</u>	<u>(1,565)</u>
		<u>481</u>	<u>490</u>
	Leasehold improvements at cost	534	511
	Accumulated depreciation	<u>(506)</u>	<u>(504)</u>
		<u>28</u>	<u>7</u>
Total property, plant and equipment		<u>509</u>	<u>497</u>
<i>Movements in Carrying Amounts</i>			
	Opening balance	497	397
	Additions - at cost	262	315
	Disposals	(8)	0
	Depreciation and amortisation expense	(238)	(232)
	Foreign exchange currency translation	(4)	17
	Closing balance	<u>509</u>	<u>497</u>

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 lesser of the unexpired period of the lease or the estimated useful life of the improvement to the Group. The assets' residual values and useful lives are reviewed, and adjusted if appropriate at each balance 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.

Notes to the Financial Statements

for the year ended 30 June 2024

		Consolidated Group	
		2024	2023
		\$ '000	\$ '000
Note			
Note 12	Lease right-of-use-asset and Lease liabilities		
	Non-Current Asset		
	Lease right-of-use cost	3,286	3,540
	Additions	1,009	740
	Disposals	0	(33)
	Modifications	13	0
	Lease right-of-use accumulated amortisation	3 (1,162)	(1,103)
	Foreign exchange currency translation	(31)	142
		<u>3,115</u>	<u>3,286</u>
	Lease liabilities - current	<u>1,162</u>	<u>1,143</u>
	Lease liabilities - non current	<u>2,064</u>	<u>2,336</u>

Leased assets

Leased assets relate to office tenancies as well as staff vehicles in Belgium and 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

Software development - at cost	39,735	35,196
Accumulated amortisation	(16,209)	(12,759)
	<u>23,526</u>	<u>22,437</u>
<i>Movements in Carrying Amounts</i>		
Opening balance	22,437	19,214
Additions - at cost	4,808	5,119
Amortisation	3 (3,511)	(3,045)
Foreign exchange currency translation	(208)	1,149
Balance as at 30 June 2024	<u>23,526</u>	<u>22,437</u>

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 costs.

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 2024

Note 14 Intangible Assets

		Consolidated Group	
		2024	2023
		\$ '000	\$ '000
Patents and trademarks - at cost		14	14
Patents and trademarks - Accumulated amortisation		(13)	(12)
		1	2
Customer lists - at cost		12,828	12,846
Customer lists - Accumulated amortisation		(1,642)	(901)
		11,186	11,945
Brands		1,851	1,851
Goodwill		38,976	39,192
Total Intangible Assets		52,014	52,990

Movements in Carrying Amounts

Movements in Carrying Amounts		Brands	Customer Lists	Patents	Goodwill	Total
	Note	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000
Balance as at 1 July 2022		1,851	12,655	4	38,394	52,904
Amortisation		0	(763)	(2)	0	(765)
Foreign exchange currency translation		0	53	0	798	851
Balance as at 30 June 2023		1,851	11,945	2	39,192	52,990
Amortisation	3	0	(743)	(1)	0	(744)
Foreign exchange currency translation		0	(16)	0	(216)	(232)
Balance as at 30 June 2024		1,851	11,186	1	38,976	52,014

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

	\$ '000	\$ '000	\$ '000	\$ '000
	CQ Energy	Energy One	Europe	Total
Goodwill	25,136	3,443	10,397	38,976
Software Development	586	9,396	13,544	23,526
Balance as at 30 June 2024	25,722	12,839	23,941	62,502
Customer lists	10,592	0	594	11,186
Brands	1,851	0	0	1,851
Balance as at 30 June 2024	12,443	0	594	13,037

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 (software and services as well as CQ Energy operational trading services) which are offered independently in Australia and Europe. The Group has therefore identified three 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 Group, Australia and Europe is utilised and this is the basis on which the Group reports segmented results.

Notes to the Financial Statements

for the year ended 30 June 2024

Note 14 Intangible Assets (continued)

Key judgements and estimates - Recoverability of Intangible Assets and Software Development (continued)

Five-year post-tax cash flow projections are based on Board approved budgets covering a one-year period with the following four years based on historical revenue growth rates as well as an estimate of cost growth rates. The forecasts are based on growth excluding the impact of possible future acquisitions, business improvement and restructuring with the exception of benefits resulting from the Global Operations Project. The major assumptions with respect to impairment testing are shown below:

	All	Australia	CQ Energy	Europe
Average Revenue Growth Years 1-5		9%	9%	14%
EBITDA Growth Average Years 1-5		8%	11%	28%
Discount Rate (WACC)	11.87%			
Terminal Growth Rate	3.00%			

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 14 years. 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	Trade and Other Payables
Current	Trade payables
	GST payable
	Sundry creditors and accruals

Consolidated Group		
	2024	2023
Note	\$ '000	\$ '000
	996	1,927
	375	708
	3,774	3,301
	5,145	5,936

Notes to the Financial Statements

for the year ended 30 June 2024

		Consolidated Group	
		2024	2023
		\$ '000	\$ '000
Note 16	Borrowings		
<i>Current</i>	Term Loan	<u>2,500</u>	<u>2,500</u>
<i>Non Current</i>	Term Loan	<u>13,651</u>	<u>18,140</u>

The Parent Company executed a finance facility with National Australia Bank on 11 April 2022 which was renewed on the 13 June 2024 and now expires on 30 April 2027. The renewed finance facility has two components being an amortising loan of \$14.375mil with repayments of \$625k due on a quarterly basis and a second loan for \$10.0mil that is interest only. At 30 June 2024 the facility limit was \$24.375mil with \$8.2mil available for redraw. 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 FY2024 an average interest rate (including the facility fee) of 7.39% was charged on these facilities. The facilities are fully secured by a fixed and floating charge over the assets and operations of all group entities and have market standard positive and negative covenants, undertakings and events of default typical for the nature of facility. At the date of this report EOL is in compliance with all requirements of the facility.

Note 17	Employee Provisions		
<i>Current</i>	Employee benefits	<u>1,474</u>	<u>1,365</u>
<i>Non-Current</i>	Employee benefits	<u>967</u>	<u>812</u>

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 \$967,000 (2023 : \$812,000).

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		
<i>Current</i>	Licences received in advance	<u>5,729</u>	<u>5,189</u>
	Unearned R&D tax incentive	<u>142</u>	<u>169</u>
		<u>5,871</u>	<u>5,358</u>
<i>Non-Current</i>	Unearned R&D tax incentive	<u>223</u>	<u>365</u>
<i>Unearned R&D tax incentive</i>			
	Balance at beginning of the period	<u>534</u>	<u>717</u>
	Less recognised as grant income in the profit and loss	<u>(169)</u>	<u>(183)</u>
	Balance at the end of the period	<u>365</u>	<u>534</u>

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.

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.

Notes to the Financial Statements

for the year ended 30 June 2024

Note 19 Contributed Equity

Issued capital at beginning of the financial year

Shares issued or under issue during the year :-

Shares issued to employees

Shares issued as a result of the vesting of share rights

Shares issued on dividend reinvestment plan

Shares issued on capital raising

Costs of issuing shares

Balance at the end of the financial year

2024 No '000	2023 No '000	2024 \$ '000	2023 \$ '000
29,947	27,536	40,051	29,773
24	19	95	84
97	198	455	911
0	81	0	417
1,101	2,113	4,453	9,510
0	0	(336)	(644)
31,169	29,947	44,718	40,051

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 \$336,000 (2023 : \$644,000)

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.

Note 20 Reserves

Share based payment reserve

Balance at the beginning of the financial year

Movement in share based payments

Foreign exchange reserve

Balance at the beginning of the financial year

Retranslation of overseas subsidiaries to functional currency

Balance at the end of the financial year

Consolidated Group

2024 \$ '000	2023 \$ '000
373	757
474	(384)
847	373
1,075	(656)
(526)	1,731
549	1,075
1,396	1,448

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 impact of foreign currency impacts 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.

Notes to the Financial Statements

for the year ended 30 June 2024

Note 21 Contingent Assets and Liabilities

The Group had no contingent liabilities or contingent assets as at 30 June 2024 or in the comparative year.

Note 22 Segment information

The Group is managed primarily on the basis of product and service offerings and operates in two geographical segments, being Australasia and Europe. An additional segment for a small number of Group related costs has also been identified. 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 segments for profit and loss purposes as represented in the following table :-

	Group	Australasia	Europe	Group	Australasia	Europe
	2024	2024	2024	2023	2023	2023
	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000
Licences	0	10,404	18,549	0	9,444	14,878
Support, hosting and other services	0	4,324	6,438	0	4,007	4,785
Project implementation	0	919	4,010	0	1,122	2,959
Operations support and advisory	0	6,751	0	0	6,038	0
CQ brokerage and advisory	0	787	0	0	1,493	0
Other income	0	179	65	0	193	35
Expenses	(2,589)	(15,808)	(23,639)	(2,161)	(13,317)	(18,241)
Earnings	(2,589)	7,556	5,423	(2,161)	8,980	4,416
Depreciation and amortisation	0	(2,965)	(2,744)	0	(2,742)	(2,283)
Earnings	(2,589)	4,591	2,679	(2,161)	6,238	2,133
	Group	Australasia	Europe	Group	Australasia	Europe
	2024	2024	2024	2023	2023	2023
	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000
Current Assets	0	3,891	7,193	0	3,921	6,265
Non-Current Assets	0	64,950	16,422	0	66,155	14,724
Total Assets	0	68,841	23,615	0	70,076	20,989
Current Liabilities	636	8,946	6,570	703	10,743	4,856
Non-Current Liabilities	13,811	5,517	3,860	18,140	5,829	3,733
Total Liabilities	14,447	14,463	10,430	18,843	16,573	8,589
Net Assets	(14,447)	54,378	13,185	(18,843)	53,503	12,400
Contributed equity	0	44,401	317	0	39,728	323
Reserves and accumulated profit and loss	(14,447)	9,977	12,868	(18,843)	13,775	12,077
Total Equity	(14,447)	54,378	13,185	(18,843)	53,503	12,400

Notes to the Financial Statements

for the year ended 30 June 2024

Note 22 Segment information (continued)

Reconciliation of unallocated amounts to profit after tax :-

	Consolidated Group	
	2024	2023
	\$ '000	\$ '000
Earnings before interest, tax and acquisition costs	4,681	6,210
Interest paid	(1,985)	(1,595)
Interest received	32	0
Acquisition and related costs	(410)	(350)
Profit before income tax	2,318	4,265

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

During the financial year ended 30 June 2024, the Australasian segment derived 23% (2023: 26%) of revenue from the top three customers and the Europe segment derived 26% (2023: 13%) from the top three customers.

Note 23 Subsequent Events

No matter or circumstance has arisen since 30 June 2024 which is not otherwise dealt with in this report, that has significantly affected or may significantly affect the operations of the Group, the results of its operations or the state of affairs of the Group.

Note 24 Controlled Entities

	Country of Incorporation	% Equity		Investment \$ '000	
		2024	2023	2024	2023
<i>Ultimate Parent Company</i>					
Energy One Limited	Australia				
<i>Controlled Entities</i>					
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%	100%	7,354	7,354
CQ Energy Pty Ltd	Australia	100%	100%	36,605	36,605
CQ Energy Unit Trust	Australia	100%	100%	NA	NA
CQ Risk Pty Ltd	Australia	100%	100%	NA	NA
CQ Risk Unit Trust	Australia	100%	100%	NA	NA
CQP Capital Pty Ltd	Australia	100%	100%	NA	NA
Coorong Energy Pty Ltd	Australia	100%	100%	NA	NA

Entity name	Entity type	Place formed/ Country of incorporation	Ownership interest %	Tax residency
Energy One Employee Option Plan Managers Pty Limited	Corporate	Australia	100%	Australia*
Creative Analytics Pty Limited	Corporate	Australia	100%	Australia*
Contigo Software Limited	Corporate	UK	100%	United Kingdom
eZ-nergy SAS	Corporate	France	100%	France
Egssis	Corporate	Belgium	100%	Belgium
CQ Energy Pty Ltd	Corporate	Australia	100%	Australia
CQ Energy Unit Trust	Unit Trust	Australia	100%	Australia*
CQ Risk Pty Ltd	Corporate	Australia	100%	Australia
CQ Risk Unit Trust	Unit Trust	Australia	100%	Australia*
CQP Capital Pty Ltd	Corporate	Australia	100%	Australia*
Coorong Energy Pty Ltd	Corporate	Australia	100%	Australia

*Energy One Limited (the 'parent entity') and its operating wholly-owned Australian subsidiaries have formed an income tax consolidated group under the tax consolidation regime.

Notes to the Financial Statements

for the year ended 30 June 2024

Note 25 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 2024 Annual Report.

	Consolidated Group	
	2024	2023
	\$	\$
Remuneration of key management personnel :		
Short term employee benefits	1,683,952	2,217,909
Post employment benefits	790,521	119,468
Long term benefits	78,411	44,921
Share based payments	744,734	188,116
	3,297,618	2,570,414

Mr Vaughan Busby - Director (resigned 13 September 2023)

Mr Busby was until 13 September 2023 a non-executive Director of Energy One Limited and was at that time a Director of Ergon 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 26 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:

		Consolidated Group	
		2024	2023
	Note	\$ '000	\$ '000
Financial assets			
Cash and cash equivalents	8	1,970	951
Trade and other receivables - due within 12 months	9	7,416	7,390
Due within 12 months		9,386	8,341
Financial liabilities			
Trade and other payables - due within 12 months	15	(5,145)	(5,936)
Lease liabilities - due within 12 months	12	(1,162)	(1,143)
Borrowings - due with 12 months	16	(2,500)	(2,500)
Due within 12 months		(8,807)	(9,579)
Trade and other payables - due after 12 months		(10)	(28)
Lease liabilities - due after 12 months	12	(2,064)	(2,336)
Borrowings - due after 12 months	16	(13,651)	(18,140)
Due after 12 months		(15,725)	(20,504)
Net financial assets / (liabilities)		(15,146)	(21,742)
<i>Cash flow and fair value interest rate risk</i>			

Notes to the Financial Statements

for the year ended 30 June 2024

Note 26 Financial Risk Management (continued)

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 is exposed to earnings volatility on floating rate instruments.

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

Consolidated entity 30 June 2024

Interest rate risk

	Weighted Avg Effective Interest rate %	Fixed Interest Rate \$ '000	Floating Interest Rate \$ '000	Non-Interest Bearing \$ '000	Total \$ '000
Financial Assets :					
Cash and cash equivalents	0.00%	0	1,970	0	1,970
Receivables	0.00%	0	0	7,416	7,416
Deposit for bank guarantee		0	0	0	0
Total financial assets		0	1,970	7,416	9,386
Borrowings and payables - due within 12 months	7.39%	0	2,500	6,307	8,807
Borrowings and payables - due after 12 months	7.39%	0	13,651	2,074	15,725
Total financial liabilities		0	16,151	8,381	24,532

Consolidated entity 30 June 2023

Foreign currency risk

Financial Assets :

Cash and cash equivalents	0.00%	0	951	0	951
Receivables	0.00%	0	0	7,390	7,390
Deposit for bank guarantee	0.00%	0	0	0	0
		0	951	7,390	8,341
Borrowings and payables - due within 12 months	6.19%	0	2,500	5,936	8,436
Borrowings and payables - due after 12 months	6.19%	0	18,140	28	18,168
		0	20,640	5,964	26,604

Consolidated entity 30 June 2024

Financial Assets :

	GBP \$ '000	EUR \$ '000
Cash and cash equivalents	342	669
Receivables	932	1,283
Deposit for bank guarantee	0	0
Total financial assets	1,274	1,952

Financial Liabilities :

Borrowings and payables - due within 12 months	0	10
Borrowings and payables - due after 12 months	0	6
Total financial liabilities	0	16

Consolidated entity 30 June 2023

Financial Assets :

	GBP \$ '000	EUR \$ '000
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

Notes to the Financial Statements

for the year ended 30 June 2024

Note 26 Financial Risk Management (continued)

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 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.

Note 27 Commitments

The Group has no commitments as at 30 June 2024.

Note 28 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 2024:

Equity Incentive Plan

The Australian Equity Incentive Plan (EIP) was established on 31 October 2014 and ratified at the Annual General Meeting on 22 October 2020. Further equity incentive plans have been created to ensure staff in acquired business also participate in the ownership of the company. These plans will be further detailed in EOL's Notice of FY 2024 AGM and it is proposed that all employee incentive plans ("EIP") will be ratified by shareholders at the FY2024 AGM. 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			
	2024		2023	
	\$'000		\$'000	
Total expense arising from EIP share based payments for the financial year	1,024		651	

	2024		2023	
	No. of rights	\$ value of	No. of rights	\$ value of
Movements in share rights under the EIP for the financial year :				
Balance at the being of the financial year	477,204	373	506,880	757
Rights granted	49,757	847	436,976	430
Rights lapsing	(118,684)	0	(268,759)	(15)
Rights vested and issued as ordinary shares	(96,890)	(373)	(197,893)	(799)
Balance at the end of the financial year	311,387	847	477,204	373

Notes to the Financial Statements

for the year ended 30 June 2024

Note 28 Share Based Payments (continued)

The following table summarises the balance of share rights on hand at 30 June 2024:

Rights Holder	Performance Conditions	Year of Issue	Rights Issued No.	Rights Issued Value \$
Group CEO	Continuous service to 31 August 2026	2023	87,210	450,003
Group CFO	Continuous service to 31 August 2024 and 31 August 2025	2023	58,140	300,003
CEO Australasia	Continuous service to 31 August 2024 and 31 August 2025	2023	58,140	300,003
CEO Europe	Continuous service to 31 August 2024 and 31 August 2025	2023	58,140	300,003
Management	Continuous service to 31 August 2024 and 28 Feb 2025	2024	49,757	203,008
Total Rights on Hand at 30 June 2024			311,387	1,553,020

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 i.e. probability of vesting and the life the right vests over.

The 261,630 share rights issued to the executive in respect of FY 2023 (CEO, CFO, CEO Australia and CEO Europe) will vest in full on a change in control event subject to Board discretion.

The following share rights vested during FY 2024:

Rights Holder	Performance Conditions	Year of Issue	Rights Vested No.	Rights Vested Value \$
CEO Australasia	Profit before tax	2021	3,462	12,952
CEO Europe	Profit before tax	2021	4,257	15,909
NED's	No performance criteria & service based only	2023	20,349	67,889
Management	Profit before tax	2021	68,822	275,914
Total Rights Vested in 2024			96,890	372,664

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	
	2024	2023
	\$	\$
Average issue price (in \$)	<u>4.08</u>	<u>5.16</u>

96,890 share rights vested during the year ended 30 June 2024 (2023: 197,893) and 118,684 share rights lapsed (2023: 268,759). 49,757 share rights were issued during the year ended 30 June 2024. The average share price at the date of issue was \$4.08 (2023: \$5.16). The exercise price is \$nil (2023 : \$nil). The average share price during the financial year was \$4.33 (2023 : \$6.16).

The weighted average remaining contractual life of the share rights under the EIP outstanding at the end of the financial year was 0.8 years (2023: 1.15 years).

Subsequent to 30 June 2024 the Board have approved the vesting of 97,520 share rights issued prior to FY2024 and 49,757 share rights issued in FY2024. 57,520 rights issued in FY2023 will lapse and 106,590 rights issued in FY2023, will carry forward and are subject to service conditions only.

Notes to the Financial Statements

for the year ended 30 June 2024

Note 28 Share Based Payments (continued)

The 311,387 rights on issue at 30 June 2024 are due to vest at the following dates:

Share Rights Vesting Schedule:

Vest Date	Holder	No. of Rights	Approved to Vest	Lapsed	Service Requirement
31 Aug 2024	Group CFO, Region CEO and Management	201,529	143,665	57,864	-
27 Feb 2025	France Staff Rights	3,268			3,268
31 Aug 2025	Group CFO	19,380	-	-	19,380
31 Aug 2026	Group CEO	87,210	-	-	87,210
Total Rights on hand at 30 June 2024		311,387	143,665	57,864	109,858

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.

Note 29 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.

	2024 \$ '000	2023 \$ '000
Current assets	2,367	2,386
Non current assets	85,977	78,034
Total Assets	88,344	80,420
Current liabilities	6,545	7,410
Non current liabilities	30,612	29,207
Total Liabilities	37,157	36,617
Net Assets	51,187	43,803
Issued capital	44,718	40,051
Reserves	646	284
Accumulated profits / losses	5,823	3,468
Total Equity	51,187	43,803
Profit before income tax	1,832	9,178
Income Tax Expense	523	(523)
Profit for the year of the parent entity	2,355	8,655
Total comprehensive income for the parent entity	2,355	8,655

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.