



**ENERGY ONE LIMITED**

ABN 37 076 583 018

**APPENDIX 4D  
for the half year ended  
31 December 2016**

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## Reporting Period

Previous Reporting Period

Half year ended 31 December 2016

Half year ended 31 December 2015

Results for announcement to the market	31 Dec 2016	31 Dec 2015	Change
	\$	\$	%
Revenue and other income	2,864,459	2,771,962	3%
Underlying EBITDA	710,617	752,938	-6%
Underlying profit before tax	454,112	435,931	4%
Acquisition and related expenses	(127,530)	0	
Profit before income tax	326,582	435,931	-25%
Profit / (Loss) from ordinary activities after tax attributable to members	136,573	179,893	-24%
Profit / (Loss) attributable to members	136,573	179,893	-24%
Net tangible asset backing per ordinary share shown in cents	2.48	13.11	-81%

Dividends	Amount Per Security	Franked Amount per security
Dividend declared 11 August 2016 for the year ending 30 June 2016, record date 2 September 2016, paid 30 September 2016 in cents	1c	0%

## Commentary

An acquisition, funded using cash, and the payment of a dividend during the half has reduced the Company's cash balance and the NTA per share has decreased as a result.

Please refer to the attached CEO's commentary and financial report for the half year ended 31 December 2016 for further information.

## Other information

Control gained over entities having a material effect	Acquired pypIT business effective 25 August 2016
Loss of control over entities having a material effect	N/A
Dividend or distribution reinvestment plans	N/A
Details of associates and joint venture entities	Please refer to the 30 June 2016 Annual Report for details.
Audit Status	This report is based on accounts that have been subject to a review.
Attachments	Additional disclosure can be found in the notes to the attached financial report.

Signed By :-



Shaun Ankers - Chief Executive Officer

16 February 2017

## CEO's Commentary

for the half year ended 31 December 2016

We are pleased to report another consistent operational result for the six months to 31 December 2016, maintaining our domestic business whilst also making a modest investment in expanding the business in new off shore markets.

*Financial Performance*

- Operating revenue of \$2.53M is up 5% over the same period last year
- EBITDA \$0.71M is down slightly on the same period last year due to increased direct costs arising from our growth strategy
- Underlying profit (before acquisition expenses) up 4% to \$0.45M, on the prior corresponding period (pcp)
- NPBT \$0.33M is down on pcp largely due to acquisition costs of the pypIT business
- Cash balance at \$0.48M, after paying cash of \$1.3M for pypIT in the half

Operating revenues were up 5% to \$2.53M over the previous corresponding period. this is a pleasing result given two large projects were completed during the same period last year. The result was also assisted by having approximately 4 months of revenue from the pypIT acquisition.

Recurring revenues were slightly lower than the pcp as the accounting revenue recognition for a long term recurring item (a term licence for a customer) rolled-off in the intervening periods. The Company continues to favour short-term recurring (i.e received intra-year) revenues and notes that these have been steadily growing. The Company expects to replace the long-term recurring revenues with corresponding short-term recurring type in the next 12 months.

	For the 6 months period ending				
	30-12-14	30-06-15	31-12-15	30-06-16	31-12-16
Operating Revenue	\$2,395,359	\$2,372,664	\$2,403,742	\$2,179,672	\$2,527,610
Recurring revenue	\$1,017,781	\$1,213,606	\$1,545,235	\$1,195,138	\$1,456,958
% of Operating revenue	42%	51%	64%	55%	58%

Given the variable nature regarding the timing of major project work the Company specifically targets recurring revenue from support and maintenance and ongoing licence fees. The majority of our operating revenue now comes from recurring sources.

The underlying EBITDA margin remains strong at 28% vs 31% for the prior corresponding period. The decline in margin was due to pypIT integration costs and short-term recruitment costs being higher than the first half in 2016. A portion of the other cost increases were due to the company investing for the hosting/cloud based future.

Underlying profit (before one off acquisition expenses) increased 4.2% over the pcp.

Net profit before tax was down, largely as a result of one-off acquisition expense for the pypIT business and European marketing costs of \$61k.

Net Profit After Tax was also down on the previous corresponding period due to the one off acquisitions costs during the half.

The Company intends to continue to fund innovation and expansion while maintaining a stable domestic base. This is the 6th consecutive half of profitability and reflects the recent investment in products and services, which positions us for the next stage of growth.

## CEO's Commentary (continued)

Half year ended 31 December 2016

*Domestic Operations*

In the past 6-9 months, the Company has completed an important project to install our EnergyOffer system for an existing client. At the same time, we have also delivered other projects to customers for implementation of wind bidding, oil trading and gas trading. In December 2016 we also secured a medium sized project with Engie in Australia to install our EnergyOffer system during FY17. Following this implementation Energy One's software will be responsible for dispatching 42% of the electricity in National Energy Market making Energy One the largest supplier of this type of system in Australia.

These complex projects were successfully delivered on time and on budget constraints, further enhancing our reputation as a reliable and trusted vendor for blue-chip energy generation, retail and trading companies.

We enter the second half with a mid-size project pending, another in final development and several smaller opportunities in the pipeline. These opportunities can be directly attributed to the suite of wholesale products we now offer. Trading activities across physical and derivative energy markets are interlinked and share common processes and data. Our customers recognise the synergistic benefits and flexibility that an integrated platform of discrete modules can offer. Whilst long sales lead times can be challenging we are confident in the marketability of the Company's software.

The Company continues to market its range of cloud-based offerings. For larger customers, we offer an enterprise-grade, full-stack privately hosted service. For smaller customers, we offer a Software-as-a-Service platform (branded EnergyCloud) aimed at providing a simple entry point to the wholesale markets. We are seeing an increasingly receptive audience for our enterprise-grade service and we expect to begin hosting all of the applications for at least one major customer in the next few months. For our EnergyCloud offering, while interest is good (including several trials), the conversion is not yet forthcoming. Many of these customers are still reliant on spreadsheets and doing nothing is still one of their options. Nonetheless, the Company remains confident that continued marketing and product refinement will yield results in the medium term. EnergyCloud offers cost-effective and easy to use functionality to reduce risk for customers.

*Update on pypIT acquisition*

In August 2016, we completed the acquisition of the pypIT business. pypIT is a business that facilitates the trading on 40% of Australia's gas transmission pipelines. The acquisition was earnings accretive and pleasingly, the business is performing to expectations. Looking forward, we are leveraging the synergy between pypIT and our existing products by offering gas shippers a more streamlined experience in managing their gas via integration of pypIT with our EnergyFlow product. This integrated approach reduces the workload and risk for the operational staff of companies. The integration is well underway and active marketing to the shippers will commence in early 2017.

*Domestic Strategy & outlook*

The Company will continue to develop our products and services to meet the demands of the domestic energy markets and to leverage our market leadership to win new business and offer new products and services. This is particularly true in the oil and gas market, which is now starting to move forward as gas is being freely traded on the global market as well as via locally sponsored initiatives such as the Wallumbilla trading hub in Queensland. Furthermore, we note that past structural changes in the electricity market have now seen some restoration of margins for those participants, which, coupled with their wish to pursue continuous efficiencies, will flow through to investment in systems and services.

## CEO's Commentary (continued)

Half year ended 31 December 2016

Energy One's systems are well placed to take advantage of these market developments. The Company also remains committed to seeking acquisition opportunities and, having successfully integrated pypIT, we expect further opportunities will be forthcoming in the next 12 months. As before, the Company seeks acquisitions that are profitable but that also provide us with strategic synergies and presence in our key markets.

Furthermore, our EnergyFlow platform provides a useful and reliable platform for customers who have an operational need to manage the supply and transport logistics of gas via nominations onto financial markets (such as STTM) and physical delivery via gas pipelines. EnergyFlow is proven in this area and is being well received by customers how rely predominantly on manual processes to perform these activities.

*UK & Europe update*

During the half, we continued to pursue market research and opportunities into targeted overseas markets (principally UK and Europe). This has included on-ground research and marketing, demonstrations to potential customers, discussions with possible partners and investigation of acquisition opportunities to provide a local presence. These investigations have demonstrated that a market opportunity exists for our EnergyFlow product into Europe. The next stage is to establish initial marketing success into those markets to generate momentum and to validate our findings. To this end, the Company has engaged a marketing consultant in the UK and is in the process of establishing a distributor arrangement with a leading UK supplier of trading software. Furthermore, we are seeking to establish relationships with channel partners who are skilled and familiar with those markets. The Company intends to adopt a staged approach to expansion in the coming months, whilst also maintaining a strong commitment to our domestic marketplace.

*Summary*

The Company is pleased to note our consistent performance with profitable results for more than 3 subsequent years with a steadily increasing market share. We now hold strong positions in the physical and contract trading software for electricity and gas. We also remain committed to building on our existing product range, reputation and customer base to make EOL a one-stop shop for energy trading software and services in our target markets here and abroad. To this end, we continue to seek opportunities for growth through new and existing customers whilst looking for potential acquisitions, as opportunities arise.

**Shaun Ankers - Chief Executive Officer**



**ENERGY ONE LIMITED**

ABN 37 076 583 018

**Financial Report  
for the half year ended  
31 December 2016**

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**DIRECTORS' REPORT****for the half year ended 31 December 2016**

Your directors present their report on the Company and its controlled entity (the Group) for the half-year ended 31 December 2016.

**Directors**

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

Ottmar Weiss – Chairman

Shaun Ankers – Chief Executive Officer

Ian Ferrier - Non-executive Director

Andrew Bonwick – Non-executive Director

Vaughan Busby – Non-executive Director

**Principal Activities**

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

**Review of Results and Operations**

The underlying profit (before acquisition & overseas market research costs) for the Group for the half year before providing for income tax amounted to \$454,112 (31/12/2015: \$435,931). The Group incurred expenses from its acquisition of the pypIT business of \$127,530 which are one off and not incurred in the previous half year. The net profit after tax for the Group for the half year amounted to \$136,573 (31/12/2015: \$179,893).

During the period the Company acquired the pypIT gas pipeline scheduling business. This resulted in a decrease in cash held and a decrease in net tangible assets per share. The Company has continued to invest in people and systems to ensure that Energy One maintains its position as the leader in information systems in the Australian energy trading and risk management (ETRM) market.

**Auditor's Independence Declaration**

The lead auditor's independence declaration under section 307C of the Corporations Act 2001 is set out on page 8 for the half-year ended 31 December 2016.



**Shaun Ankers - Chief Executive Officer**

16 February 2017



**Ottmar Weiss - Chairman**

## DECLARATION OF INDEPENDENCE BY IAN HOOPER TO THE DIRECTORS OF ENERGY ONE LIMITED

As lead auditor for the review of Energy One Limited for the half-year ended 31 December 2016, I declare that, to the best of my knowledge and belief, there have been:

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

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



Ian Hooper  
Partner

**BDO East Coast Partnership**

Sydney, 16 February 2017



**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND  
OTHER COMPREHENSIVE INCOME**
**for the half year ended 31 December 2016**

	Notes	Consolidated Group	
		31 Dec 2016	31 Dec 2015
		\$	\$
<b>Revenue and other income</b>			
Revenue from continuing operations	2	2,527,610	2,403,742
Other income	2	336,849	368,220
		<b>2,864,459</b>	<b>2,771,962</b>
Direct project costs		(33,828)	(20,827)
Employee benefits expense	3	(1,380,888)	(1,380,731)
Depreciation and amortisation expense	3	(234,221)	(363,602)
Rental expenses	3	(102,432)	(92,684)
Consulting expenses		(177,527)	(186,207)
Insurance		(31,831)	(29,270)
Accounting fees		(42,935)	(34,300)
Acquisition and related expenses	11	(127,530)	0
Overseas marketing and research costs	3	(61,114)	0
Other expenses		(345,571)	(228,410)
		<b>(2,537,877)</b>	<b>(2,336,031)</b>
<b>Profit before income tax</b>		<b>326,582</b>	<b>435,931</b>
Income tax (expense) / benefit	4	(190,009)	(256,038)
<b>Profit after income tax attributable to members</b>		<b>136,573</b>	<b>179,893</b>
Other comprehensive income		0	0
<b>Total comprehensive income</b>		<b>136,573</b>	<b>179,893</b>
<b>Total comprehensive income attributable to members of the Parent entity</b>		<b>136,573</b>	<b>179,893</b>
<b>Earnings per share attributable to the ordinary equity holders of the Company</b>			
Basic earnings per share (cents per share)		0.72	0.97
Diluted earnings per share (cents per share)		0.71	0.92

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

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 31 December 2016

		Consolidated Group	
	Notes	31 Dec 2016	30 Jun 2016
		\$	\$
<b>Assets</b>			
<b>Current Assets</b>			
Cash and cash equivalents	5	477,190	2,227,869
Trade and other receivables	6	2,400,489	2,055,823
Other current assets		173,520	103,494
<b>Total Current Assets</b>		<b>3,051,199</b>	<b>4,387,186</b>
<b>Non-Current Assets</b>			
Property, Plant and equipment	7	445,826	502,430
Intangible assets	8	4,651,382	3,014,684
Trade and other receivables	6	203,685	203,685
Deferred tax asset		164,272	191,938
Other non current assets		220,655	330,981
<b>Total Non-Current Assets</b>		<b>5,685,820</b>	<b>4,243,718</b>
<b>Total Assets</b>		<b>8,737,019</b>	<b>8,630,904</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Trade and other payables		725,053	819,660
Income tax payable		636,555	474,212
Current deferred revenue	9	604,933	619,439
Current provisions		183,105	145,468
<b>Total Current Liabilities</b>		<b>2,149,646</b>	<b>2,058,779</b>
<b>Non-Current Liabilities</b>			
Trade and other payables		294,180	343,504
Non current deferred revenue	9	925,380	837,292
Non current provisions		83,295	76,440
<b>Total Non-Current Liabilities</b>		<b>1,302,855</b>	<b>1,257,236</b>
<b>Total Liabilities</b>		<b>3,452,501</b>	<b>3,316,015</b>
<b>Net Assets</b>		<b>5,284,518</b>	<b>5,314,889</b>
<b>Equity</b>			
Contributed Equity	10	8,656,380	8,519,309
Reserves		0	118,818
Accumulated losses		(3,371,862)	(3,323,238)
<b>TOTAL EQUITY</b>		<b>5,284,518</b>	<b>5,314,889</b>

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

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the half year ended 31 December 2016

	Consolidated Group			Total
	Contributed	Share Based	Accumulated	
	Equity	Payments	Losses	
	\$	Reserve	\$	\$
<b>Balance at 1 July 2015</b>	8,262,059	274,925	(3,864,901)	4,672,083
Comprehensive profit for the half year :-				
Profit after income tax for the period	0	0	179,893	179,893
Other comprehensive income	0	0	0	0
	0	0	179,893	179,893
Transactions with owners in their capacity as owners :-				
Share Issues	257,249	(239,255)	0	17,994
Share based payment expense	0	127,848	0	127,848
Options lapsing		(77,580)	77,580	0
<b>Balance at 31 December 2015</b>	8,519,308	85,938	(3,607,428)	4,997,818
<b>Balance at 1 July 2016</b>	8,519,309	118,818	(3,323,238)	5,314,889
Comprehensive profit for the half year :-				
Profit after income tax for the period	0	0	136,573	136,573
Other comprehensive income	0	0	0	0
	0	0	136,573	136,573
Transactions with owners in their capacity as owners :-				
Share Issues	137,071	(123,077)	0	13,994
Share based payment expense	0	4,259	0	4,259
Dividends Paid	0	0	(185,197)	(185,197)
<b>Balance at 31 December 2016</b>	8,656,380	0	(3,371,862)	5,284,518

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

## CONSOLIDATED STATEMENT OF CASH FLOWS

for the half year ended 31 December 2016

		Consolidated Group	
	Notes	31 Dec 2016	31 Dec 2015
		\$	\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from customers		2,700,639	2,901,579
Payments to suppliers and employees		(2,652,333)	(2,374,412)
Interest received		23,865	21,793
Net cash provided by operating activities		72,171	548,960
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchase of property, plant & equipment		(1,549)	(50,900)
Payment for development costs of software		(458,245)	(433,759)
Receipt from restricted term deposit - Bank Guarantee		0	103,758
Payment for restricted term deposit - Bank Guarantee		0	(330,979)
Payment for acquisition of business	11	(1,317,999)	0
Net cash used in investing activities		(1,777,793)	(711,880)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from issuance of shares		137,073	257,250
Dividends Paid		(182,130)	0
Net cash provided by financing activities		(45,057)	257,250
Net increase / (decrease) in cash held		(1,750,679)	94,330
Cash at beginning of financial period	5	2,227,869	1,982,629
<b>Cash at the end of the financial period</b>	5	<b>477,190</b>	<b>2,076,959</b>

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

## NOTES TO THE FINANCIAL STATEMENTS

for the half year ended 31 December 2016

**Note 1 Summary of significant accounting policies**

These consolidated interim financial statements for the half-year reporting period 31 December 2016 have been prepared in accordance with the requirements of the *Corporations Act 2001*, and Australian Accounting Standards including AASB 134: Interim Financial Reporting.

This consolidated interim financial report is intended to provide users with an update on the latest annual financial statements of Energy One Limited and its subsidiary (the Group). As such, it does not contain information that represents relatively insignificant changes occurring during the half-year within the Group. It is therefore recommended that this financial report be read in conjunction with the annual financial statements of the Group for the year ended 30 June 2016, together with any public announcements made during the half-year in accordance with the continuous disclosure requirements of the Corporations Act 2001.

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

*New accounting policies not yet effective*

Certain new accounting standards and interpretations have been published that are not mandatory for 31 December 2016 reporting periods and have not been early adopted by the Fund. The Directors' assessment of the impact of these new standards (to the extent relevant to the Group) and interpretations is set out below:

AASB 9 Financial Instruments addresses the classification, measurement and derecognition of financial assets and financial liabilities. It has now also introduced revised rules around hedge accounting. The standard is not applicable until 1 January 2018 but is available for early adoption. When adopted, the standard will not significantly affect the group's accounting for its financial assets.

There will be no impact on the group's accounting for financial liabilities, as the new requirements only affect the accounting for financial liabilities that are designated at fair value through profit or loss and the group does not have any such liabilities. The derecognition rules have been transferred from AASB 139 Financial Instruments: Recognition and Measurement and have not been changed. The group has not yet decided when to adopt AASB 9.

AASB 15 Revenue from Contracts from Customers establishes principles for recognising, measuring and disclosing the revenue that arises from an entity's contracts with customers. The standard is not applicable until 1 January 2017. There is likely to be changes to the amount or timing of revenue recognition where contracts extend over time, have variable considerations or have multiple elements.

The group has not fully assessed the impact of AASB 15 on their revenue recognition policy. There are no other standards that are not yet effective and that are expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

	<u>31 Dec 2016</u>	<u>31 Dec 2015</u>
	\$	\$
<b>NOTE 2 Revenue and other income</b>		
Sales revenue		
Licences and related services	<b>2,527,610</b>	2,403,742
Other income		
Interest income	<b>38,830</b>	46,940
Research & development incentive income	<b>298,019</b>	321,280
Total other income	<b>336,849</b>	368,220
Total revenue and other income	<b>2,864,459</b>	2,771,962

## NOTES TO THE FINANCIAL STATEMENTS (continued)

for the half year ended 31 December 2016

	31 Dec 2016	31 Dec 2015
	\$	\$
<b>NOTE 3 Expenses</b>		
The consolidated statement of profit or loss includes the following specific expenses :-		
Depreciation & amortisation		
Depreciation - Plant & equipment	19,066	17,486
Amortisation - Leasehold improvements	39,654	13,094
Amortisation - Software development costs	176,068	314,928
Loss / (profit) on disposal - Plant & equipment	(567)	18,094
	<u>234,221</u>	<u>363,602</u>
Rental expense of operating lease		
Minimum lease payments	102,432	92,684
Employee benefits expense		
Superannuation expense	130,434	124,496
Employee option / share plan benefits	18,255	145,844
Other employee benefits	1,232,199	1,110,390
	<u>1,380,888</u>	<u>1,380,730</u>
Overseas Marketing and research costs	(61,114)	0
<b>NOTE 4 Income tax expense</b>		
Profit from ordinary activities before income tax expense	326,582	435,931
Tax effect of :-		
Tax at the Australian tax rate of 30% (2014: 30%)	(97,975)	(130,779)
Non-deductible expenses (excluding research and development)	(328)	(53)
Adjustment recognised for prior period	0	170
Income tax expense before tax effect of R&D incentive and recognition of tax balances not previously recognised	(98,303)	(130,662)
Tax effect of R&D incentive *	(91,706)	(125,376)
Income tax expense for the period	<u>(190,009)</u>	<u>(256,038)</u>

\* The company accounts for R&D incentives as government grants under AASB 120, resulting in the incentive being recognised in the profit and loss (see Note 2) and the R&D expenditure treated as a non deductible for tax purposes.

	31 Dec 2016	30 Jun 2016
	\$	\$
<b>NOTE 5 Cash and cash equivalents</b>		
Cash at the end of the financial year as shown in the statement of cash flows reconciled to items in the balance sheet as follows :-		
Cash at bank and on hand	250,067	299,293
Short term bank deposits	227,123	1,928,576
Total cash and cash equivalents	<u>477,190</u>	<u>2,227,869</u>
Other current assets - restricted term deposit *	110,326	0
Other non-current assets - restricted term deposit *	220,653	330,979
Total cash and restricted term deposit	<u>808,169</u>	<u>2,558,848</u>

\* At the reporting date, the Consolidated Group has deposits with banks that are used for restricted bank guarantees. These have been classified as Other Non-Current Assets in the consolidated statement of financial position as they have a term of more than 1 year.

## NOTES TO THE FINANCIAL STATEMENTS (continued)

for the half year ended 31 December 2016

	31 Dec 2016	30 Jun 2016
	\$	\$
<b>NOTE 6 Trade and other receivables</b>		
Current		
Trade receivables	727,653	812,145
Accrued Income	514,058	472,006
R&D Tax Incentive	1,154,405	751,294
Other receivables	4,373	20,378
	<u>2,400,489</u>	<u>2,055,823</u>
Non Current		
Accrued Income	203,685	203,685
	<u>203,685</u>	<u>203,685</u>
<b>NOTE 7 Property, plant and equipment</b>		
Plant and equipment - at cost	297,060	295,510
Plant and equipment - accumulated depreciation	(162,017)	(143,517)
	<u>135,043</u>	<u>151,993</u>
Leasehold improvements - at cost	403,110	403,110
Leasehold improvements - accumulated amortisation	(92,327)	(52,673)
	<u>310,783</u>	<u>350,437</u>
Total Property, plant and equipment	<u>445,826</u>	<u>502,430</u>
<b>NOTE 8 Intangible assets</b>		
Software development - at cost	7,086,911	6,312,046
Software development - accumulated amortisation	(4,112,845)	(3,938,803)
	<u>2,974,066</u>	<u>2,373,243</u>
Patents - at cost	26,808	26,808
Patents - accumulated amortisation	(4,500)	(2,474)
	<u>22,308</u>	<u>24,334</u>
Goodwill - at cost	1,655,008	617,107
Goodwill - impairment losses	0	0
	<u>1,655,008</u>	<u>617,107</u>
Total Intangible assets	<u>4,651,382</u>	<u>3,014,684</u>
<b>NOTE 9 Deferred revenue</b>		
Current		
Support & maintenance fees received in advance	467,875	499,385
Unearned R&D Tax Incentive - Current	137,058	120,054
	<u>604,933</u>	<u>619,439</u>
Non-Current		
Unearned R&D Tax Incentive - Non Current	925,380	837,292
	<u>925,380</u>	<u>837,292</u>
<b>NOTE 10 Issued capital</b>		
18,943,369 (18,519,876 : 30 Jun 2016) fully paid ordinary shares	<u>8,656,380</u>	<u>8,519,309</u>

The company issued shares under the Energy One Equity Incentive Plan which was approved at the AGM on 16 October 2014 as follows :-

38,878 Ordinary shares issued to employees on 2 November 2016

384,615 Ordinary shares issued on vesting of share rights to Non Executive Directors on 2 November 2016

## NOTES TO THE FINANCIAL STATEMENTS (continued)

for the half year ended 31 December 2016

**NOTE 11 Business Combination**

On 25 August 2016, the Company completed the acquisition of the pypIT business from Sydac Pty Limited.

The total purchase consideration was \$1,500,000 consisting of the following :-

Cash Consideration	1,317,999
Provision for leave	36,523
Deferred contract revenue	<u>145,478</u>
Acquisition price	<u>1,500,000</u>
Amounts recognised on acquisition :-	
Software - at valuation	316,621
Contracts acquired	145,478
Good will on acquisition	<u>1,037,901</u>
Acquisition Price	<u>1,500,000</u>

The company incurred acquisition and one off related costs of \$127,530 consisting of professional fees and amortisation of contract assets acquired.

**NOTE 12 Share based payments**

The company issued the following share rights on 2 November 2015 as approved at the AGM dated 22 October 2015 under the Energy One Executive incentive Plan which was approved at the AGM on 16 October 2014 :-

384,615 Shares rights Issued at 32.0c to Non Executive Directors vesting 30 October 2016 and issued shares on 2 November 2016 .

The company issued 38,878 shares at 36.0c on 2 November 2016 to employees under the Energy One Equity Incentive Plan which was approved at the AGM 16 October 2014.

There are 333,333 share rights outstanding as at 31 December 2016 as approved at the AGM dated 16 October 2014 under the Energy One Equity Incentive Plan also approved at the same AGM.

**NOTE 13 Contingencies and commitments**

The Group had no contingent liabilities or contingent assets as at 31 December 2016.

**NOTE 14 Operating segments**

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 one geographical segment, being Australia. During the period ended 31 December 2016 the Group derived 78% (2015 : 89%) of revenue from three major customers to which it provided consulting and support and maintenance work. The Group's most significant external customer accounts for 49% (2015 : 43%) of external revenue with the next largest customer contributing 19% (2015 : 35%). Management assesses the performance of the operating segment based on the accounting profit and loss.

**NOTE 15 Events subsequent to reporting date**

There have been no after balance date transactions that have significantly affected or may significantly affect the operations of the Group, the result of those operations or the state of affairs of the Group subsequent to the half year ended 31 December 2016.



**Directors' Declaration**

In the director's opinion:

(a) the financial statements and notes set out on 9 to 16 are in accordance with the Corporations Act 2001, including:

- (i) complying with Accounting Standard AASB 134: Interim Financial Reporting and the Corporations Regulations 2001;
  - (ii) giving a true and fair view of the consolidated entity's financial position as at 31 December 2016 and of its performance for the half year ended on that date; and
- (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the Directors.



Shaun Ankers  
Chief Executive Officer  
16 February 2017



Ottmar Weiss  
Chairman  
16 February 2017

## INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Energy One Limited

### Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Energy One Limited, which comprises the statement of financial position as at 31 December 2016, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, notes comprising a statement of significant accounting policies and other explanatory information, and the directors' declaration.

#### Directors' Responsibility for the Half-Year Financial Report

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

#### Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the company's financial position as at 31 December 2016 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Energy One Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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

#### Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Energy One Limited, would be in the same terms if given to the directors as at the time of this auditor's review report.

### Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Energy One Limited is not in accordance with the *Corporations Act 2001* including:

- (i) Giving a true and fair view of the company's financial position as at 31 December 2016 and of its performance for the half-year ended on that date; and
- (ii) Complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*.

### BDO East Coast Partnership

BDO

A handwritten signature in black ink, appearing to read 'Ian Hooper', with a stylized flourish at the end.

**Ian Hooper**  
**Partner**

Sydney, 16 February 2017