

eEnergy Group plc
("eEnergy", "the Company" or "the Group")

Results for the six months ended 30 June 2024

eEnergy (AIM: EAAS), the net zero energy services provider, announces an update on trading for the six months ended 30 June 2024 ("the Period").

Financial highlights

- H1 24 Core Revenue⁽¹⁾ of £6.0m (pro forma⁽²⁾ H1 23 £11.0m)
- H1 24 Core Adjusted EBITDA⁽¹⁾ loss of £(2.0)m (pro forma⁽²⁾ H1 23 £0.5m)
- Sale of Energy Management Division for an initial consideration of £29.3m
- Loss Before Tax £(4.9)m (pro forma⁽²⁾ H1 23 £(2.0)m)
- Net cash £6.0m (30 June 23 net debt £(7.4)m)
- £5.2m solar contract signed with Spire Healthcare plc, the Group's largest to date
- Strong sales pipeline growth of 25% up in the Period

Operational highlights

- Significant progress made to streamline and restructure the business following sale of Energy Management Division
- Restructuring has brought improved efficiencies delivering clear upward trend in pipeline and margins
- Solar continued its strong growth accounting for 34% of revenues in H1 24
- Secured £40m project funding facility with NatWest to finance energy efficiency and onsite generation technologies for the Group's public sector customers
- Investment in people and change in Board and management, Nick Clark appointed to new role of Chief Operating Officer, John Gahan appointed as CFO, and Andrew Lawley, previously Non-Executive Director, appointed as Non-Executive Chair

Outlook

- H2 24 started with strong momentum
 - Record quarterly revenue forecasted by management for Q3 of £9.2m reflects strong performance in solar division and investment in people
- Revenues for rest of FY24 underpinned by contracted forward order book of £7.6m at end September, of which £6.4m is expected to convert to revenue during the remainder of FY24
- Market conditions have improved during the period and the business has entered H2 24 with a substantial pipeline and strong momentum
- Whilst the Board is pleased to maintain full year revenue guidance at £25 million - £26 million, it notes that this is linked to a high volume of projects scheduled for installation towards the end of the year when timing of project delivery can be exposed to adverse weather conditions in the short-term. Any variation in revenue for the full year would be expected to have a corresponding impact on earnings.

Management and Directorate changes

Following the disposal of the Energy Management Division and consistent with a shift in the Group's strategy away from M&A, it has been agreed that Crispin Goldsmith will step-down as CFO. The Board would like to thank Crispin for his contributions to the growth of the business, including the build-out and subsequent disposal of the Energy Management Division, and wishes him well for the future.

The Board are pleased to announce the appointment of John Gahan as the Company's Chief Financial Officer and to the Board as director. John joins from Simbec-Orion Group and was previously Finance Director of Sprue Aegis plc, an AIM-quoted technology products business with a £100 million market cap. John has extensive financial, commercial and operational experience during periods of fast growth.

Crispin Goldsmith will step down from the Board as CFO and move to a consultant role to ensure a smooth handover process.

The change will be effective from 1 October 2024.

Harvey Sinclair, eEnergy CEO, commented: *“Following the sale of our Energy Management Division, the last six months has been a period in which we have taken the opportunity to realign the group to focus on our improved efficiencies while investing in our team, making appointments at both the Board and management level. I am pleased to report we have made significant operational progress which has laid the foundations for continued growth and increased market share.*

“After a challenging market environment over the last 12 months, we have started to see improving market conditions in line with our expectations. Organisations have renewed their focus on both energy reduction initiatives and clean energy generation solutions. This is reflected in our strong sales pipeline which is up 25% in the period, and I am pleased to announce we have achieved a record quarterly revenue for Q3.

“We have strong momentum in the business and with the market conditions continuing to improve we look forward to updating shareholders on our progress in H2.

“Finally, I welcome John Gahan as our new CFO who starts tomorrow. I would like to thank Crispin Goldsmith for his role in repositioning the business post the sale of our Energy Management Division.”

Investor presentation

Harvey Sinclair, CEO, and Crispin Goldsmith will host an online presentation via the Investor Meet Company platform for investors at 9am on Tuesday 1 October 2024.

The presentation is open to all existing and potential shareholders. Questions can be submitted pre-event via the Investor Meet Company dashboard up until 9am the day before the meeting, or at any time during the live presentation. A recording of the presentation will be available after the event.

Sign up for free via: <https://www.investormeetcompany.com/eenergy-group-plc/register-investor>

¹ Core Revenue and Core Adjusted EDIBTA relate to the underlying revenues and earnings of the continuing operations of the Group for the period. They exclude amounts related to the Energy Management Division, including pre-completion revenues and costs, and the accounting treatment of the disposal. They are stated before share-based payments and exceptional items. Exceptional items are those items which, in the opinion of the Directors, should be excluded in order to provide a consistent and comparable view of the underlying performance of the Group's ongoing business and include transaction-related items, restructuring and integration costs.

² 'pro forma' means on a like-for-like basis, for the comparative period 1 January to 30 June 2023 adjusted for the sale of the Energy Management Division.

This announcement contains inside information for the purposes of Article 7 of EU Regulation 596/2014. The person responsible for arranging for the release of this announcement on behalf of eEnergy is Harvey Sinclair, Chief Executive Officer.

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About eEnergy Group plc

eEnergy (AIM: EAAS) is revolutionising the path to Net Zero as a leading digital energy services provider for B2B and public sector organisations. We eliminate the barriers to clean energy generation and energy waste reduction, offering solutions that don't require upfront capital investment. Our vision is clear: make Net Zero possible and profitable for every organisation.

Our primary services include:

- **Reduce:** LED lighting and controls
- **Generate:** Solar PV, ground mount, rooftop, and carport
- **Charge:** EV charging and management software

All eEnergy's services come with intelligent circuit-level energy analytics and are funded through NatWest or Siemens to provide an off-balance sheet-compliant energy-as-a-service solution.

eEnergy has completed over 1,100 decarbonisation projects within the B2B and public sector. We are #1 in the education sector, having worked with over 840 schools, installing over half a million LED lights, and improving the learning environment for over 443,000 students—enough to fill Wembley Stadium almost five times over. In one year alone, eEnergy has saved the education sector £13 million in energy costs. With over 70% of schools yet to transition to LED lighting and over 90% yet to deploy solar, eEnergy estimates that at least £5.4 billion would need to be invested to install adequate rooftop solar, LED lighting, and EV charging infrastructure in UK schools.

eEnergy is a market leader within the education sector and has been awarded the Green Economy Mark by the London Stock Exchange.

CEO Statement

It has been a busy and productive six months, with significant change across the Group, including the sale of the Energy Management Division in February 2024 ("the Disposal"). We have taken the opportunity to pause and reset, taking time to invest in our infrastructure, people and platforms, with actions also being taken to reduce the Group's PLC cost-base. The Board is pleased to report significant operational progress has been made which has laid the foundations for continued growth and increased market share.

Operationally, our first half trading performance has reflected weak market conditions, legacy balance sheet constraints and disruption as a result of the Disposal and consequent business separation. After a lull during H2 FY23 and into early FY24, we have seen a strengthening and re-acceleration of the Net Zero agenda towards the end of H1 FY24 and into the start of H2 FY24. This is reflected in our strong sales pipeline which is up 25% in the period, and we have seen the strong performance in solar and investment in people already impact trading and produce a record quarterly revenue for Q3.

The new, simplified eEnergy business model with a strengthened balance sheet

During the period the separation from the Energy Management Division was executed. With the businesses having previously been fully integrated, the separation process has been challenging. It has involved the completion of the ERP implementation in parallel to carving out a standalone accounting system and building independent infrastructure and platforms.

This has ultimately led to a disruptive period of change which management have embraced as a one off opportunity to restructure the remaining Energy Services Division and to provide a strong, scalable platform for growth.

To achieve this, we have invested in the people and technology that will drive growth, particularly to support a step-change in Solar. We have strengthened our management team and are pleased to have Nick Clark join us as a full-time COO, a new senior management role. He brings extensive expertise and a proven track record in successful operational growth and will be instrumental in driving eEnergy forward.

The receipt of the initial £25 million for the Energy Management Division has significantly strengthened our balance sheet, removing previous constraints and repaying substantially all debt. Our strong financial position has been enhanced by our innovative funding facility with NatWest which we are now drawing down on regularly. We now have the working capital to tender for much larger multi-million pound contracts and can consequently secure improved terms from our supply chain.

As we look to pivot to healthcare and frameworks agreements, we intend to leverage our financing capabilities, with our platform, technology, and systems receiving investment to help scale up. During the period we strengthened our frameworks capability to complement our direct sales resources. This has required investment in the processes and technology to on-board with selected frameworks across different segments of the public sector.

The market and the opportunity

During the energy crisis in 2022 there was a surge in demand and the market was set for an acceleration of energy transition projects. Instead however, the market took a pause and as a result we have seen a reduction in momentum during the latter part of 2023 and into early 2024. This pause was driven by falling energy prices, increasing costs of capital, and the cost increases across the supply chain.

However, we saw the market strengthen towards the end of the period H1 FY24 and we believe the future trajectory is now strong. Renewables continue to dominate and solar, in particular, is set for significant expansion due to its decreasing levelised cost of energy (LCOE) (a measure of the cost of energy generated by a system). Electric vehicle (EV) adoption is also accelerating and is projected to account for a larger share of global car sales, increasing the potential addressable market.

This strong momentum from the end of our first half has continued. The new government is preparing to drive Net Zero more actively as one of its levers for growth. The public sector, we believe, will lead this activity and we are already seeing public sector clients signing up to more flexible financing arrangements which can allow them to adopt our products and services with no upfront capital expenditure.

With the market still volatile, customers are looking for security and stability of energy supply. This is driving demand for onsite generation, and the opportunity is greater than we previously anticipated. Currently, the

market is thinly served, with large barriers to entry and we are now well placed to capture the opportunities created by limited competition.

Currently, customers have more than one energy transition driver, a combination of environmental, economic and technological factors all contribute towards customers' net zero requirements. Customers are always looking to reduce costs and, move to cleaner and more sustainable energy sources, all whilst reducing reliance on the grid. eEnergy seeks to take advantage of the preference for one partner that can execute multiple solutions simultaneously. The starting point comes with the need for energy insights as organisations start to report their carbon footprints and the changes they're delivering.

As a nation, we are facing a combination of challenges: climate change, an unpredictable energy market and the ongoing effects of the cost-of-living crisis. Our aim is to highlight both the challenges and opportunities at hand to drive greater awareness. Over the last 12 months, we have commissioned independent research to ascertain the addressable market in healthcare and education. The reports identified the large opportunities within these sectors. The remaining addressable education market is 65% which management believe values the opportunity at c. £2 billion, with a 50% remaining addressable market in the NHS alone for LED lighting.

Results

The business had a slow start to the year and experienced significant disruption and change through the Disposal process and subsequent separation. In particular, the majority of Q1 2024 was a period where the business continued to be hampered by a weak balance sheet and, as previously highlighted, this was exacerbated by weak market conditions. Lower energy prices and higher costs of finance led to lengthened customer decision-making cycles, culminating in a delay in contract signings.

During the six month period to 31 June 2024, Core Revenues¹ were £6.0 million, down from £11.0 million in H1 2023 (pro forma²), and Core Adjusted EBITDA¹ moved to a loss of £2.0 million, year-on-year on a like-for-like basis.

In February 2024, the Disposal was completed for £29.3 million. The net proceeds from the Disposal are being used to reinvest into the Company's high growth Energy Services Division and substantially all the Group's previous debt facilities of £8.1 million have now been repaid. Additional contingent consideration, expected at the time of completion to be between £8 million and £10 million, will also be due to the Company, based on the trading performance of the Energy Management Division for the period to 30 September 2025.

In March, we announced the new £40 million Project Funding Facility with NatWest ("the Facility"), to finance energy efficiency and onsite generation technologies for the Group's public sector customers. The Facility is a new financing solution created by both parties and designed exclusively for the funding of public sector energy transition projects across the full range of eEnergy products. The Board believes that the Facility gives eEnergy a unique, compliant off balance sheet solution for public sector customers and will strengthen eEnergy's competitive position in tendering for large multi-site contracts.

We see growth opportunities across all areas of the business, especially for solar multi-site opportunities, and via frameworks, within the public sector.

Board

Following the Disposal, the Company announced a board restructure to reflect the simplified business. John Foley stepped down from the board and his role as Non-Executive Chair. Andrew Lawley, previously Non-Executive Director, was appointed Non-Executive Chair. David Nicholl, previously Non-Executive Director, also stepped down from the board, but has however remained as an adviser to the board.

Following the disposal of the Energy Management Division and consistent with a shift in the Group's strategy away from M&A, it has been agreed that Crispin Goldsmith will step-down as CFO. The Board would like to thank Crispin for his contributions to the growth of the business, including the build-out and subsequent disposal of the Energy Management Division, and wishes him well for the future.

The Board are pleased to announce the appointment of John Gahan who will take over the role of Group CFO from 1 October 2024.

Outlook

We have strong momentum in the business and the market conditions continue to improve. We entered H2 FY with a robust contracted forward order book, and I am pleased to say we have had a record quarterly revenue forecasted by management for Q3 of £9.2 million, which reflects a strong performance in solar division and investment in people.

The security of supply and the race to Net Zero are back as a priority across the UK. With the increase of energy transition drivers, we are seeing a particular increase in demand for energy insights and Solar to provide energy stability for businesses and organisations. Additionally, we have already started to see the impact of the favourable new government policies and a reform of regulations in the public sector, with the reduction of red tape.

After a time of investment post the Disposal, the Board is excited by the opportunities presented to eEnergy and believes that we have the platform and resources in place to take full advantage of these, beginning in the remainder of this financial year. As a result, despite the challenges of the first half, we are maintaining full year revenue guidance of £25 million - £26 million. The Board would like to note that this is linked to a high volume of projects scheduled for installation towards the end of the year when timing of project delivery can be exposed to adverse weather conditions in the short-term. Any variation in revenue for the full year would be expected to have a corresponding impact on earnings. We look forward to a busy second half.

Harvey Sinclair
Chief Executive
30 September 2024

CFO Statement

Group key performance indicators

	6-months to June '24 £'000	6-months to June '23 (pro forma ²) £'000
Core Revenue ¹	6,020	11,020
Core Adj. EBITDA ¹ (before Central costs)	(1,104)	1,275
Core Adj EBITDA ¹ (before Central costs) %	(18.3)%	11.6%
Core Adj EBITDA ¹ (after Central costs)	(2,048)	461
Cash & cash equivalents (exc. restricted balances)	5,989	597
Net Cash / (Debt) (excl. of IFRS16)	5,959	(7,433)

¹ Core Revenue and Core Adjusted EBITDA relate to the underlying revenues and earnings of the continuing operations of the Group for the period. They exclude amounts related to the Energy Management Division, including pre-completion revenues and costs, and the accounting treatment of the disposal. They are stated before share-based payments and exceptional items. Exceptional items are those items which, in the opinion of the Directors, should be excluded in order to provide a consistent and comparable view of the underlying performance of the Group's ongoing business and include transaction-related items, restructuring and integration costs.

² 'pro forma' means on a like-for-like basis, for the comparative period 1 January to 30 June 2023 adjusted for the sale of the Energy Management Division.

Financial results presentation

The sale of the Energy Management Division was completed on 9 February 2024 and, as a result, the Energy Management Division prior to completion is classified as 'held for sale' as required by statutory reporting standards.

The Energy Management Division, prior to disposal, consisted of the businesses and operations of Beond (acquired December 2020), UtilityTeam (acquired September 2021) and MY ZeERO (acquired in stages from April 2021).

Following the divestment, the Energy Services Division represents the continuing customer-facing activities of the Group encompassing Energy Reduction Services, Energy Generation Services and EV Charging Services.

Summary performance

It was a challenging period, with the business continuing to be hindered by a constrained balance sheet in Q1 2024, heightened by weak market conditions as previously reported. The business therefore had a slow start to the year and experienced significant disruption and change through the Energy Management Division disposal process and subsequent separation.

H1 FY24 was focused on separating the fully integrated Energy Management Division. This involved carving out a standalone accounting system as well as implementing a new ERP system, which started during FY23, allowing the Company to build an independent infrastructure and platforms.

Management have also taken the opportunity to restructure the operating platform of the Energy Services business to ensure a strong foundation to drive long-term, scalable revenue and earnings growth with improving margins. This has involved a strengthening of the management team, a focus on solar operations to enable scale, completion of the finance transformation process started during FY23, along with investment in technology and systems.

The business has also pivoted to driving sales through frameworks and healthcare to complement the existing direct sales channel.

Whilst the Company has made substantial operational progress in recent months, the significant changes have impacted the H1 FY24 trading results for the Energy Services business. However the results

themselves mask the substantial operational progress made during the period, described in the CEO's Review.

Energy Services Results

Revenue for the period of £6.0 million was down from £11.0 million for the six-month period to 30 June 2023 on a like-for-like basis.

As solar revenues have increased, accounting for 34% of revenues in H1 FY24, blended margins have reduced, reflecting the typically lower product margins for this part of the business. This effect was exacerbated by the effects of the balance sheet constraints, in particular from projects completed in the period which had been started prior to the end of FY23. As a result, gross margins for H1 FY24 were 19.2%, down from 32.5% in H2 FY23.

Underlying product margins showed strong improvement during Q2 2024, and continuing into Q3 2024, as a result of management actions on pricing and supply chain (securing improved terms from suppliers). Energy Services margins are therefore expected to show strong recovery during H2 FY24 despite the increasing mix of solar revenues.

Weaker margins and investment in the management and operational team, in particular to support the strong solar growth, contributed to the Adjusted EBITDA loss of £(2.0) million down from (positive) £0.5 million for the six-month period to 30 June 2023).

Market conditions recovered strongly during the Period, with £14.6 million of new contracts signed which represents an increase of 11% on H1 FY23 (£13.2 million). As at end September 2024 the business benefitted from a revenue forward order book (contracted future revenues) of £7.6 million of which £6.4 million was expected to convert to revenue during FY24.

Group Restructure

During the period we have strengthened the management team, with the appointment of Nick Clark as Chief Operating Officer, together with additional experienced frameworks personnel.

We have completed the finance transformation process which started during FY23 and have invested heavily in technology and systems. Costs have been incurred in executing the separation from the Energy Management Division, which has involved carving out a standalone accounting system for the remaining business.

We have also reviewed the Group plc structure to right-size it for the remaining business.

As a result, exceptional costs of £1.9 million have been charged to the Profit & Loss account in relation to these activities in the period. This includes a modest profit recognised on disposal of the Energy Management Division.

Cash Flow and Balance Sheet

H1 FY24 cash flow reflects a period of operating loss and the restructuring and post-Disposal separation undertaken in the Period.

Investment has also been made, having established the innovative £40 million project funding facility with NatWest to support funding of public sector energy transition projects across the full range of eEnergy products.

Most notably, the sale of the Energy Management Division in February 2024 enabled the Group to repay £8.2 million of third party borrowing.

As a result, Net Cash stood at £6.0 million at 30 June 2024, compared to a Net Debt position of £7.4 million at 31 December 2023.

FY24 Outlook

The latter half of H1 FY24 was positively impacted by improving market conditions and the refreshed focus on the race to Net Zero. This is reflected in strong sales for the second half of the Period and the significant forward order book of £15.0 million coming into H2 FY24.

This gives us a strong platform for delivery during Q3 2024 which resulted in a record quarter for revenue generation for the Energy Services business. Whilst the Board is pleased to maintain full year revenue guidance at £25 million - £26 million, it notes that this is linked to a high volume of projects scheduled for installation towards the end of the year when timing of project delivery can be exposed to adverse weather conditions in the short-term. Any variation in revenue for the full year would be expected to have a corresponding impact on earnings.

Crispin Goldsmith
Chief Financial Officer
September 2024

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the period ended 30 June 2024

		6 months to 30 June 2024 £'000	6 months to 30 June 2023 £'000
	Note		
Continuing operations			
Revenue from contracts with customers		6,020	11,020
Cost of sales		(4,864)	(7,441)
Gross profit		1,156	3,579
Operating expenses		(5,499)	(3,906)
Included within operating expenses are:			
- Share Based Payments	5	278	274
- Other exceptional items	5	2,017	514
Adjusted operating expenses		(3,204)	(3,118)
Adjusted losses earnings before interest, taxation, depreciation and amortisation		(2,048)	461
Losses before interest, taxation, depreciation and amortisation		(4,343)	(327)
Depreciation and amortisation		(245)	(757)
Finance costs - net		(345)	(873)
(Loss) before taxation		(4,933)	(1,957)
Income tax		(207)	(635)
(Loss) for the year from continuing operations		(5,140)	(2,592)
Discontinued operations			
(Loss) / Profit after tax from discontinued operations disposed of during the period	4	(3)	2,611
(Loss) / Profit for the year		(5,143)	19
Attributable to:			
Owners of the company		(5,140)	(2,620)
Owners of the company – non continuing		(3)	2,611
Non-controlling interest		-	28
		(5,143)	19
Other comprehensive income – items that may be reclassified subsequently to profit and loss			
Translation of foreign operations		53	116
Total other comprehensive profit		53	116
Total comprehensive (loss) profit for the year		(5,090)	135
Total comprehensive profit (loss) attributable to:			
Owners of the company		(5,087)	(2,620)
Owners of the company – non continuing		(3)	2,611
Non-controlling interest		-	28
		(5,090)	19
Basic (loss) earnings per share from continuing operations	6	(1.31)	(0.76)
Diluted (loss) earnings per share from continuing operations	6	(1.31)	(0.76)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 30 June 2024

		As at 30 June 2024 £'000	As at 31 December 2023 £'000
	Note		
NON-CURRENT ASSETS			
Property, plant and equipment		264	292
Intangible assets	7	3,586	3,465
Right of use assets		504	502
Trade and other receivables		7,076	818
Deferred Tax Asset		-	1,138
Total non-current assets		11,430	6,215
Inventories		225	177
Trade and other receivables		12,065	14,418
Cash and cash equivalents		5,989	597
		18,279	15,192
Disposal group classified as held for sale		-	34,997
Total current assets		18,279	50,189
TOTAL ASSETS		29,709	56,404
NON-CURRENT LIABILITIES			
Lease liability		357	384
Deferred tax liability		-	944
Total non-current liabilities		357	1,328
CURRENT LIABILITIES			
Trade and other payables		10,112	15,203
Lease liability		220	189
Borrowings	8	30	8,030
Total current liabilities		10,362	23,422
Disposal group classified as held for sale		-	7,852
		10,362	31,274
TOTAL LIABILITIES		10,719	32,602
NET ASSETS		18,990	23,802
EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT			
Issued share capital		16,494	16,494
Share premium		49,319	49,319
Other reserves		2,295	2,017
Reverse acquisition reserve		(35,246)	(35,246)
Foreign currency translation reserve		(146)	(199)
Accumulated losses		(13,726)	(8,583)
Total equity attributable to owners of the parent		18,990	23,802
Non-controlling interest		-	-
TOTAL EQUITY		18,990	23,802

CONSOLIDATED STATEMENTS OF CASHFLOWS
For the period ended 30 June 2024

	Period to 30 June 2024 £'000	Period to 30 June 2023 £'000
Cash flow from operating activities		
Operating Losses (Losses Before Interest and Tax)	(4,588)	(1,084)
Depreciation and amortisation	245	757
EBITDA Continuing Operations	(4,343)	(327)
EBITDA Discontinued Operations	(197)	2,591
EBITDA	(4,540)	2,264
Adjustments for:		
Other non-cash working capital adjustments	194	(867)
Share based payment	278	274
Operating cashflow before working capital movements	(4,068)	1,671
(Increase) in trade and other receivables	(4,366)	(2,996)
(Decrease) / increase in trade and other payables	(5,697)	2,443
Decrease / (increase) in inventories	206	(376)
Decrease in net accrued / deferred income	2,502	351
Net cash outflow/inflow from operating activities	(11,423)	1,093
Cash flow from investing activities		
Proceeds on the sale of energy management division	25,000	-
Expenditure on intangible assets	(32)	(532)
Purchase of property, plant and equipment	-	(31)
Net cash Inflow / (outflow) from investing activities	24,968	(563)
Cash flows from financing activities		
Interest (paid)	-	(186)
Repayment of lease liabilities	(19)	(471)
Repayment of borrowings	(8,167)	(10)
Net cash inflow from financing activities	(8,186)	(667)
Net increase in cash and cash equivalents	5,359	(137)
Effect of exchange rates on cash	33	(11)
Cash and cash equivalents at the start of the period	597	1,453
Cash and cash equivalents at the end of the period	5,989	1,305

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the period ended 30 June 2024

	Share Capital ⁱⁱⁱ	Share Premium	Reverse Acqn. Reserve	Other Reserves	Foreign Currency Reserve	Accum. Losses	Non Control Interest	Total Equity
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
At 1 July 2022	16,373	47,360	(35,246)	261	(138)	(5,985)	(77)	22,548
Other comprehensive loss	-	-	-	-	(61)	-	-	(61)
Loss for the period	-	-	-	-	-	(2,521)	-	(2,521)
Total comprehensive loss for the period	-	-	-	-	(61)	(2,521)	-	(2,582)
Issue of shares during the period	105	1,650	-	-	-	-	-	1,755
Issue of share for acquisition of subsidiaries ⁱ	16	309	-	-	-	-	-	325
Acquisition of balance of non-controlling interest ⁱⁱ	-	-	-	860	-	(77)	77	860
Warrants	-	-	-	136	-	-	-	136
Share based payments	-	-	-	760	-	-	-	760
Total transactions with owners	121	1,959	-	1,756	-	(77)	77	3,836
Balance at 30 June 2023	16,494	49,319	(35,246)	2,017	(199)	(8,583)	-	23,802
Other comprehensive loss	-	-	-	-	53	-	-	53
Loss for the period	-	-	-	-	-	(5,143)	-	(5,143)
Total comprehensive loss for the period	-	-	-	-	53	(5,143)	-	(5,143)
Issue of shares during the period	-	-	-	-	-	-	-	-
Warrants	-	-	-	-	-	-	-	-
Share based payments	-	-	-	278	-	-	-	278
Total transactions with owners	-	-	-	278	-	-	-	278
Balance at 30 June 2023	16,494	49,319	(35,246)	2,295	(146)	(13,726)	-	18,990

ⁱ Issue of share capital (non-cash) for settlement of contingent consideration, relating to the acquisition of UtilityTeam and acquisition of minority interests in eEnergy Insights Limited.

ⁱⁱ Relates to reversal of put option provision, regarding the step acquisition of eEnergy Insights Limited, following acquisition of outstanding share capital.

ⁱⁱⁱ Share capital is inclusive of £15,333,000 deferred share capital.

SELECTED NOTES TO THE FINANCIAL INFORMATION

For the six months ended 30 June 2024

Basis of preparation

During the prior period, the Group changed its accounting reference date from 30 June to 31 December and consequently reported on the extended 18 month period ended 31 December 2023. The comparatives of this report are the 6 month period ended 30 June 2023, except for the Consolidated Statement of Financial Position and Changes in Equity, where the comparative is the 31 December 2023.

The condensed consolidated interim financial statements of eEnergy Group plc (the "Group") for the six month period ended 30 June 2024 have been prepared in accordance with Accounting Standard IAS 34 Interim Financial Reporting.

The interim report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the 18 months period ended 31 December 2023, which was prepared under UK adopted international accounting standards (IFRS), and any public announcements made by eEnergy Group plc during the interim reporting period and since.

These condensed consolidated interim financial statements do not constitute statutory accounts as defined in Section 434 of the Companies Act 2006. The Group's statutory financial statements for the 18 months ended 31 December 2023 have been prepared under IFRS and have been filed with the Registrar of Companies. The auditor's report on those financial statements was unqualified and did not contain a statement under Section 498(2) of the Companies Act 2006. These condensed consolidated interim financial statements have not been audited.

Basis of preparation – going concern

The interim financial statements have been prepared under the going concern basis.

At 30 June 2024 the Group had cash reserves of £5,989,000 (31 December 2023: £597,000).

The Directors have a reasonable expectation that the company and Group have sufficient resources to continue to operate for the foreseeable future.

In assessing whether the going concern assumption is appropriate, the Directors have taken into account all relevant information about the current and future position of the Group and Company, including the current level of resources and the ability to trade within its available facilities.

Taking these matters into consideration, the Directors consider that the continued adoption of the going concern basis is appropriate. The interim financial statements do not reflect any adjustments that would be required if they were to be prepared other than on a going concern basis.

Accounting policies

The accounting policies adopted are consistent with those of the previous financial period and corresponding interim reporting period.

3. SEGMENT REPORTING

The following information is given about the Group's reportable segments:

The Chief Operating Decision Maker is the Board of Directors. The Board reviews the Group's internal reporting in order to assess performance of the Group and has determined that in the period ended 30 June 2024 the Group had two operating segments, being Energy Services and Group, noting that during the period the Group disposed of its Energy Management business segment, hence the results for this business segment are up until the disposal date of 9 February 2024.

	Energy Mgmt	Energy Services	Group Central	Group
6 months ended 30 June 2024	£'000	£'000	£'000	£'000
Revenue – UK	1,239	5,768	-	7,007
Revenue – Ireland	-	252	-	252
Revenue – Total	1,239	6,020	-	7,259
Cost of sales	(282)	(4,864)	-	(5,146)
Gross Profit	957	1,156	-	2,113
Adjusted Operating expenses	(1,154)	(2,260)	(944)	(4,358)
Adjusted EBITDA	(197)	(1,104)	(944)	(2,245)
Depreciation and amortisation	-	(58)	(187)	(245)
Finance and similar charges	-	(5)	(340)	(345)
(Loss) before exceptional items	(197)	(1,167)	(1,471)	(2,835)
Exceptional items & Share Based Payment Charges*	-	(1,401)	(894)	(2,295)
(Loss) before tax	(197)	(2,568)	(2,365)	(5,130)
Taxation	194	(13)	(194)	(13)
(Loss) after tax	(3)	(2,581)	(2,559)	(5,143)
EBITDA	(197)	(2,505)	(1,838)	(4,540)
Net Assets				
Assets		15,117	14,592	29,709
Liabilities		(9,972)	(747)	(10,719)
Net assets		5,145	13,845	18,990

	Energy Mgmt	Energy Services	Central	Group
6 months ended 30 June 2023	£'000	£'000	£'000	£'000
Revenue – UK	7,015	9,744		16,759
Revenue – Ireland	-	1,276	-	1,276
Revenue – Total	7,015	11,020	-	18,035
Cost of sales	(1,252)	(7,441)	-	(8,693)
Gross Profit	5,763	3,579	-	9,342
Operating expenses	(3,067)	(2,304)	(814)	(6,185)
Adjusted EBITDA	2,696	1,275	(814)	3,157
Depreciation and amortisation	54	(71)	(686)	(703)
Finance and similar charges	(34)	(34)	(839)	(907)
Profit (loss) before exceptional items	2,716	1,170	(2,339)	1,547
Exceptional items	(105)	(170)	(618)	(893)
Profit (loss) before tax	2,611	1,000	(2,957)	654
Taxation credit	-	-	(635)	(635)
Profit (loss) after tax	2,611	1,000	(3,592)	19
EBITDA	2,591	1,105	(1,432)	2,264
Net Assets (June 2023)				
Assets	35,667	18,396	2,007	56,070
Liabilities	(8,971)	(12,431)	(10,606)	(32,008)
Net assets	26,696	5,965	(8,599)	24,062

4. DISPOSAL OF ENERGY MANAGEMENT DIVISION

During the period, the Group disposed of its wholly owned Energy Management division to Flogas Britain Limited for an initial consideration of £29.1 million and additional contingent consideration which was, at the date of completion, expected to be in the range of £8-£10m, subject to the trading performance of the Energy Management division for the period to 30 September 2025.

The energy management division within the Group comprised the following subsidiaries:

- eEnergy Consultancy Limited;
- eEnergy Insights Limited; and
- eEnergy Management Limited.

The results of the Energy Management division disposal of are presented in the segment note 3.

5. EXCEPTIONAL ITEMS

Operating expenses include items that the Directors consider to be exceptional by their nature. These items are:

	6 month period ended 30 June 2024 £'000	6 month period ended 30 June 2023 £'000
Incremental restructuring and integration costs	1,882	514
Share based payment expense	206	274
Other strategic investments	135	-
Total exceptional expenses	2,223	788
Share based payment expense	72	-
Total of share based payment and exceptional expenses	2,295	788

Share based payments classified as exceptional excludes £72,000 of share scheme costs awarded in the period. The consolidated income statement Share Based Payment charge is £284,000 with £206,000 classified as exceptional.

The share based payment charge reflects the non cash cost of the Management Incentive Plan awards made on 7 July 2020 and the award of options made to the senior management team on 7 December 2021 and in early 2024 which are being amortised over their three year vesting period.

Following completion of the disposal of the Energy Management division, management have undertaken a restructure of the continuing Group in order to build a strong foundation to drive long-term, scalable revenue and earnings growth. The costs of this restructuring, together with costs incurred in the separation from Energy Management and a modest accounting Profit on Disposal, are classified within 'Incremental restructuring and integration costs'.

6. EARNINGS PER SHARE

The calculation of the basic and diluted earnings per share is calculated by dividing the profit or loss for the year by the weighted average number of ordinary shares in issue during the year

	Period to 30 June 2024	6 month period ended 30 June 2023
(Loss) profit for the year from continuing operations attributable to owners of the Company – £	(5,087,000)	(2,620,000)
(Loss) profit for the year – £	(5,090,000)	19,000
Weighted number of ordinary shares in issue	387,224,625	346,779,959
Basic earnings per share from continuing operations – pence	(1.31)	(0.76)
Weighted number of dilutive instruments in issue	-	-
Weighted number of ordinary shares and dilutive instruments in issue	438,916,469	398,477,693
Diluted earnings per share from continuing operations – pence	(1.36)	(0.76)

Share options and warrants could potentially dilute basic earnings per share in the future but were not included in the calculation of diluted earnings per share in the current period as they are anti-dilutive.

7. INTANGIBLE ASSETS

	Goodwill £'000	Software £'000	Total £'000
Cost			
At 1 January 2024	3,010	496	3,506
Adjustment to held for sale balances	-	187	187
At 30 June 2024	3,010	683	3,693
Amortisation			
At 1 January 2024	-	(41)	(41)
Amortisation in the period	-	(66)	(66)
At 30 June 2024	-	(107)	(107)
Net book value at 31 December 2023	3,010	455	3,465
Net book value at 30 June 2024	3,010	576	3,586

8. BORROWINGS

	30 June 2024 £'000	31 December 2023 £'000
Current		
Borrowings	30	8,030
	30	8,030

In February 2024, following the disposal of its Energy Management division to Flogas for an initial adjusted consideration of £25m, the Group repaid substantially all of its existing bank indebtedness.

9. RELATED PARTY TRANSACTIONS

Key management personnel are considered to the Board of Directors. The amount payable to the Board of Directors for the period ended 30 June 2024 was £0.8 million (period ended 30 June 2023: £0.9 million).