10 October 2024

Eneraqua Technologies plc
("Eneraqua", the "Company" or the "Group")

Interim Results
Solid start to H1, with focus on project delivery in H2

Eneraqua Technologies plc, a provider of specialist energy and water efficiency solutions, announces its interim results for the six months ended 31 July 2024 ("H1 FY25").

Financial Highlights

- Revenue increased 15% to £29.9m (H1 FY24: £26.0m)
- Adjusted EBITDA loss before tax of £2.4m (H1 FY24: £0.8m profit) and Adjusted loss before tax of £3.8m (H1 FY24: (£0.4m)) reflecting the impact of the earlier than expected UK General Election together with the project mix in the period and the increased overheads needed to support the level of revenue for the year
- Adjusted diluted EPS of (7.85p) (H1 FY24: 0.47p)
- Net cash (excluding IFRS16 liabilities) of £0.3m (H1 FY24: £0.5m)
- Group's order book across Energy and Water stands at £114m (H1 FY24: £118m and FY24 £102m) of which, taking a prudent view, over 40% is now expected to be delivered in H2 FY25

Operational and Strategic Highlights

- The earlier than expected UK General Election together with subsequent statements by the new Government impacted performance due to delays in project approvals.
- These delays on decision making are now reducing as Government policy becomes clear with a renewed emphasis on growth and investment.
- In Energy, delivery of major projects such as the ground-source heat pump installation for the British Geological Survey ("BGS") in Nottingham is progressing well. This is being documented as an exemplar case study for the UK and Europe on installation of such commercial scale retrofit systems.
- Water projects proceeding well including nitrate neutrality project in Kent where some 4,000 homes are being fitted with our patented Control Flow HL2024 technologies. Follow-on orders received from existing and new water utilities and local authorities.
- Control Flow HL2024 also adopted by Livensa for its 5,000 all student accommodation flats in Spain and Portugal, and by Andorra for all its municipal parks and gardens

Outlook

- Greater clarity of direction and speed of decision-making in recent weeks, particularly with regard to Water programmes
- Rapid build up of operational capability underway to deliver projects in remaining months of FY25

- Expect return to profit for H2 FY25 and to achieve Adj. PBT for FY25 in line with market expectations*
- Demand remains strong with significant market opportunity for decarbonisation, water efficiency and nutrient neutrality solutions

Commenting on the results, CEO of Eneraqua Technologies, Mitesh Dhanak, said: *"I am pleased with the progress the Group has made so far this year.*

"While the earlier than anticipated UK General Election with the associated purdah and the subsequent period while the new Government confirmed its policy priorities and commitment to growth has caused decisions and approvals to be delayed by clients, this is now easing. We are rapidly building our operational capability to deliver the required work for our clients this financial year with most projects continuing into FY26 and beyond.

"With a healthy project pipeline; the UK Government's increased focus on meeting net zero and building 1.5 million new homes over the next five years; together with nascent growth internationally, we remain confident in the ability of the Group to deliver for its customers and shareholders alike.

"We have the people, product and market position to accelerate growth across the Group, supported by the drive to net-zero, water efficiency and nutrient neutrality.

An overview of the interim results is available to watch here: https://bit.ly/ETP_H125overview

** The Company considers that the consensus forecasts for Adjusted PBT for the year ended 31 January 2025 is £2.5m.*

Investor Presentation

A presentation to retail investors will be hosted at 9am this morning. Investors are invited to sign up for the presentation via the PI World platform using the following link: https://us02web.zoom.us/webinar/register/WN_4ukwqRhzQoCd43N-uERhqg. Questions can be submitted during the presentation.

For further information please contact:

Eneraqua Technologies plc Mitesh Dhanak, Chief Executive Officer James Lamb, Interim Chief Financial Officer	Via Alma
Panmure Liberum Limited (Nomad and Joint Broker) Edward Mansfield John More Anake Singh	Tel: 0203 100 2000
Singer Capital Markets (Joint Broker) Sandy Fraser Asha Chotai	Tel: 020 7496 3000
Alma Strategic Communication (Financial PR) Justine James Andy Bryant Will Ellis Hancock Emma Thompson	Tel: 020 3405 0205 eneraqua@almastrategic.com

CEO Statement

The Group made a good start to the year but as flagged at the time of the AGM, the earlier than anticipated calling of the UK General Election on the 22 May 2024 has affected performance in H1 and for the financial year.

Once a general election is called, a legal restriction is placed on our public sector clients proceeding with many types of projects until after the election was complete. The incoming Government then raised concerns on the state of the public finances and launched a planning consultation. This did not propose any significant changes to the neutrality rules but did not make clear that offset solutions such as ours were allowed. These two issues caused further hesitation by many of our public sector and private utility clients leading to additional delays on decision making and approvals.

As the government has now established itself and made clear its policy positions, the position has improved in recent weeks with approvals received or expected for several key projects, mainly in the water sector. As a result, our focus is on the rapid gearing of operational capability to meet the compressed delivery timescales.

Financial Performance

The Company's revenue in the period to 31 July 2024 was £29.9m (H1 FY24: £26.0m) with an adjusted loss before tax of £3.8m (H1 FY24: adjusted loss before tax of £0.4m).

The increased adjusted loss before tax primarily reflects an anticipated reduction in gross margins reflecting contract mix and, to a lesser extent, increased overheads which are in place to support the level of revenue which we expect to deliver over the financial year.

The net cash balance (excluding IFRS16 liabilities) at 31 July was £0.3m (H1 FY24: £0.5m). Efficient working capital management continues to be a key focus for management and revised processes and disciplines have led to greater working capital efficiency which we intend to maintain as we now enter a period of growth in activity.

Market

The new UK Government has set a higher priority on achieving net zero and reducing energy costs and this is being reflected in the goals set by public bodies. Within the private sector, there is a similar focus on these areas driven by regulatory necessity as well as economic imperative driving companies to focus more on improving sustainability whilst also delivering cost savings in many cases.

The focus on increasing housebuilding in the UK, with the Government's target of 1.5 million houses in the next five years, is expected to create additional opportunities for our water offering which can facilitate the unlocking of sites previously held back due to water and nitrate concerns. This sits alongside the existing opportunities created by the need to improve water efficiency across all of our target markets.

In the near term we continue to see the steady normalisation of the inflationary environment that adversely impacted public client budgets in the UK.

Operational and strategic progress

We operate in two key markets, Energy and Water. Energy is focused on clients with end of life gas, oil or electric heating and hot water systems and we provide turnkey retrofit district or communal heating systems based on high efficiency gas, ground or air-source heat pump solutions. As well as public sector housing, we are increasingly focussed on commercial buildings such as schools, hospitals and leisure centres. Our Water teams focus on water efficiency upgrades for utilities, property developers and non-domestic clients including hotels, hospitals and care homes.

In Energy, we will shortly complete the exemplar ground-source heat pump installation for the British Geological Survey ("BGS") in Nottingham. This is intended to provide an example to organisations in the UK and Europe as the BGS seeks to encourage adoption of heat pump technologies internationally. Our other major projects include Kingston NHS Trust and Lancaster West which are also proceeding to plan. At both we are designing and installing a range of technologies that will result in substantial reductions in CO_2 emissions and energy costs.

In Water, current projects are also proceeding well including the nitrate neutrality programme in Kent where some 4,000 homes are being upgraded with our technology. In addition, we have also received follow-on orders from existing and new water utilities and local authorities for upgrading homes and schools. Our patented Control Flow HL2024 has been adopted by Livensa for its 5,000 student accommodation flats in Spain and Portugal and by Andorra for all its municipal parks and gardens.

Follow-on studies in both the UK and India involving over 1,000 homes have also replicated the savings seen from the use of our Control Flow HL2024 products in previous trials, thereby continuing to build client confidence. Follow on trials in an Indian city are currently being planned.

Orderbook

The Group's order book of contracted or secured work stands at £114m (£118m H1 FY24) of which, taking a prudent view, over 40% is now anticipated to be delivered in the remainder of H2 FY25.

The orderbook has increased by £12m since the start of the year (£102m at 31st January 2024). Additionally, we are actively pursuing over £300m of new opportunities.

Outlook

The hiatus in decision making and the placing of orders affected performance in H1 and the start of H2. In recent weeks this position has improved with both greater clarity of direction and speed of decision making markedly increasing, reinforcing the Board's confidence for the second half of the year and beyond.

Our focus is now on a rapid build-up of our operational capability in order to deliver successfully the large volume of work which our customers require over the next few months.

Despite the delay in contracts being placed we expect a strong return to profit for the second half and a profit for the year as a whole. Provided there are no material operational delays, the Board expects total revenue from current and expected contracts to be slightly lower than current market forecasts but with the stronger margins in H2 due to the project mix allowing the Company to deliver Adjusted PBT in line with market expectations for FY25. In addition, the major projects commenced this year will continue in delivery through H1 2026.

The rapid build-up of activity will result in an investment in working capital that will not fully unwind during the current financial year. As a result, the Group expects to report a net cash position (excluding IFRS 16) at the year end slightly lower than previously expected. We expect the cash position to improve in H1 of the next financial year, as projects continue and delivery milestones are reached.

The contracts which we will be working on in the remainder of the current financial year will in almost all cases continue into next year and, in some cases, beyond. This, together with clear indications from the new UK Government of its commitment to accelerate the pace of progress towards decarbonisation provide a solid base for further progress. We have the people, market position and products to accelerate our growth to take advantage of the opportunities in front of us. The past 18 months have been a very difficult period for the Company but we look to the future with increasing confidence.

Mitesh Dhanak

CEO

9 October 2024

CFO Statement

I am pleased to report on Eneraqua's unaudited interim results for the six months ended 31 July 2024).

Revenue

Group revenue increased by 15% to £29.9m, (H1 FY24: £26.0m).

	31 Jul 2024	**31 Jul 2023**
Revenue	£29.9m	£26.0m
Revenue growth	15%	7%
Adjusted EBITDA[1]	(£2.4m)	£0.8m
Adjusted Loss Before Tax[2]	(£3.8m)	(£0.4m)
Net cash (excluding IFRS 16)	£0.3m	£0.5m

Gross margin was 21% (H1 FY24: 34%). This reflects the project mix delivered in the period.

The increase in the Adjusted Loss Before Tax was attributable to reduced Gross Margins and an increase in operating expenses[4] to £9.4m (H1 FY24: £8.1m). This reflects the operational capability required to deliver forecast contract volume in the second half of the year.

Adjusting and Exceptional Items

The total pre-tax adjusting items, excluding depreciation and amortisation, in the period were £0.6m. These were £0.2m of charges for share-based payments (H1 FY24: £0.1m) and £0.4m of exceptional costs (H1 FY24: nil). Exceptional costs of £0.4m in the period (H1 FY24: nil) are in respect of salary and redundancy costs following the headcount reduction exercise undertaken by the Group at the end of FY24. No further exceptional charges are expected during the second half year.

Cash

The Group ended the period with net cash (excluding IFRS 16 liabilities) of £0.3m compared with £0.5m of net cash at 31 July 2023.

Gross cash was £4.7m (H1 FY24: £6.0m). Bank borrowings excluding leasing arrangements were £4.4m (H1 FY24: £5.5m). The main component is a loan which is being amortised over four years from drawdown and stands at £2.7m at 31 July 2024 (H1 FY24: £4.2m).

Trade and other receivables was £14.4m (H1 FY24: £23.7m). This reduction reflects an improved process from valuation of work leading to a lowering of accrued income from £16.1m (H1 FY24) to £8.1m (H1 FY25). This represents a fall in accrued income days from 136 days in H1 FY24 to 71 days H1 FY25.

Capital expenditure was limited in H1, being £0.7m (H1 FY24: £0.5m), including £0.4m plant and equipment mainly associated with further development of the manufacturing facility in Toledo, Spain and £0.3m of intangible asset additions in respect of research and development projects.

Headcount

The Group's full time equivalent ("FTE") employees at 31 July 2024 were 197 (31 July 2023: 191) and we continue to monitor this carefully to ensure the business remains right-sized to deliver its goals.

[1]Operating profit prior to exceptional costs, share based payment charges, depreciation of property, plant and equipment, depreciation of right-of-use assets and amortisation of intangible assets. This is a non IFRS measure.
[2]Profit before tax prior to exceptional costs and share based payment charges
[3]Cash from operating activities/EBITDA
[4]Operating expenses exclude depreciation and amortisation

James Lamb

Interim CFO

9 October 2024

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 31 July

	Note	Six months to 31 Jul 2024 £'000	Six months to 31 Jul 2023 £'000	Twelve months to 31 Jan 2024 £'000
Continuing operations				
Revenue	3	29,925	26,047	53,818
Cost of sales		(23,514)	(17,174)	(41,591)
Gross profit		**6,411**	**8,873**	**12,227**
Administrative expenses		(10,105)	(8,973)	(17,865)
Exceptional costs	4	(400)	-	(1,594)
Operating loss		**(4,094)**	**(100)**	**(7,232)**
Interest payable and similar expenses		(294)	(341)	(667)
Loss before taxation		**(4,388)**	**(441)**	**(7,899)**
Income tax		1,097	540	1,560
(Loss)/profit for the period from continuing operations		**(3,291)**	**99**	**(6,339)**
Total (loss)/profit for the period attributable to equity holders of the parent		(3,291)	99	(6,339)
Items that will or may be reclassified to profit or loss				
Exchange losses arising on translation of foreign operations		(137)	-	(680)
Other comprehensive income		**(3,428)**	**-**	**(680)**
Total comprehensive (loss)/income for the period attributable to equity holders of the parent		**(3,428)**	**99**	**(7,019)**
Basic earnings per share from continuing operations - pence	6	(9.91)	0.47	(18.98)
Diluted earnings per share from continuing operations - pence	6	(9.91)	0.47	(18.98)

The accompanying notes form part of the condensed interim consolidated financial statements

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	31 Jul 2024 £'000	31 Jul 2023 £'000	31 Jan 2024 £'000
Non-current assets				
Intangible assets		9,713	9,255	9,122
Property, plant and equipment		2,979	3,251	2,991
Right-of-use assets		990	1,319	1,152
Deferred tax asset		567	-	720
Total non-current assets		**14,249**	**13,825**	**13,985**
Current assets				
Inventory		3,573	2,924	3,349
Contract assets		1,592	3,119	1,493
Trade and other receivables	7	14,376	23,706	21,526
Current tax asset		630	-	701
Cash and cash equivalents		4,672	5,963	6,364
Total current assets		**24,843**	**35,712**	**33,433**
TOTAL ASSETS		**39,092**	**49,537**	**47,418**
Equity attributable to owners of the parent				
Called up share capital		332	332	332
Share premium account		10,113	10,113	10,113
Merger reserve		(5,490)	(5,490)	(5,490)
Other reserves		647	7	784
Retained earnings		9,935	20,055	13,226
Total equity		**15,537**	**25,017**	**18,965**
Current liabilities				
Borrowings	8	2,046	1,457	1,913
Trade and other payables		17,866	16,866	21,756
Lease liabilities		742	428	487
Total current liabilities		**20,654**	**18,751**	**24,156**
Non-current liabilities				
Borrowings	8	2,371	4,023	3,288
Lease liabilities		530	1,441	1,009
Deferred tax liability		-	305	-
Total non-current liabilities		**2,901**	**5,769**	**4,297**
Total liabilities		**23,555**	**24,520**	**28,453**
TOTAL EQUITY AND LIABILITIES		**39,092**	**49,537**	**47,418**

The accompanying notes form part of the condensed interim consolidated financial statements

CONSOLIDATED STATEMENT OF CASHFLOWS

For the six months ended 31 July

GROUP	Six months to 31 Jul 2024 £'000	Six months to 31 Jul 2023 £'000	Twelve months to 31 Jan 2024 £'000
Cash flow from operating activities			
(Loss)/profit for the financial period	(3,291)	99	(6,339)
Adjustments for:			
Amortisation of intangible assets	459	204	788
Depreciation of property, plant and equipment	515	297	824
Depreciation on right-of-use assets	229	333	412
Interest payable	243	283	535
Lease liability finance charge	51	65	132
Interest receivable	-	(7)	-
Taxation credit	(1,097)	(540)	(1,560)
Corporation tax received / (paid)	281	(71)	(1,299)
Foreign exchange	(1)	39	318
Share based payment charge	198	58	279
Changes in working capital:			
Increase in inventory	(224)	(367)	(792)
Decrease in trade and other receivables	7,051	2,256	5,505
(Decrease) / increase in trade and other payables	(3,956)	2,168	8,124
Net cash increase from operating activities	458	4,817	6,927
Cash flow from investing activities			
Purchase of intangible assets	(329)	(356)	(852)
Purchase of property, plant and equipment	(416)	(107)	(541)
Acquisition of businesses – net of cash acquired	-	(386)	(378)
Net cash outflow from investing activities	(745)	(849)	(1,771)
Cash flows from financing activities			
Proceeds from borrowings	-	-	427
Repayment of borrowings	(916)	(685)	(1,001)
Interest paid	(243)	(283)	(535)
Interest received	-	7	
Repayment of lease liabilities	(246)	(268)	(516)
Dividends paid	-	-	(391)
Net cash outflow from financing activities	(1,405)	(1,229)	(2,016)
Net (decrease) / increase in cash and cash equivalents	(1,692)	2,739	3,140
Cash and cash equivalents at beginning of period	6,364	3,224	3,224
Cash and cash equivalents at the end of the period	4,672	5,963	6,364

The accompanying notes form part of the condensed interim consolidated financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the period ended 31 July

	Share Capital	Share Premium	Merger Reserve	Other Reserves	Retained Earnings	Total Equity
	£000	£000	£000	£000	£000	£000
At 1 February 2023	332	10,113	(5,490)	104	19,956	25,015
Profit for the period	-	-	-	-	99	99
Total comprehensive profit for the period	-	-	-	-	99	99
Other[1]	-	-	-	(97)	-	(97)
Total transaction with owners	-	-	-	(97)	-	(97)
Balance at 31 July 2023	**332**	**10,113**	**(5,490)**	**7**	**20,055**	**25,017**
At 1 August 2023	332	10,113	(5,490)	7	20,055	25,017
Loss for the period	-	-	-	-	(6,438)	(6,438)
Total comprehensive loss for the period	-	-	-	-	(6,438)	(6,438)
Reduction in share capital		-	-	-	-	-
Dividends paid	-	-	-	-	(391)	(391)
Exchange differences arising on translation of foreign operations	-	-	-	777	-	777
Total transaction with owners	-	-	-	777	(391)	386
Balance at 31 January 2024	**332**	**10,113**	**(5,490)**	**784**	**13,226**	**18,965**
At 1 February 2024	**332**	**10,113**	**(5,490)**	**784**	**13,226**	**18,965**
Loss for the period	-	-	-	-	(3,291)	(3,291)
Total comprehensive loss for the period	-	-	-	-	(3,291)	(3,291)
Exchange differences arising on translation of foreign operations	-	-	-	(137)	-	(137)
Total transaction with owners	-	-	-	(137)	-	(137)
Balance at 31 July 2024	**332**	**10,113**	**(5,490)**	**647**	**9,935**	**15,537**

[1]Other includes share based payments, foreign exchange and other items

The accompanying notes form part of the condensed interim consolidated financial statements.

Notes to the financial information

1. BASIS OF PREPARATION

The figures for the six months ended 31 July 2024 and 31 July 2023 are unaudited and do not constitute statutory accounts.

As permitted, the Company has chosen not to adopt IAS 34 "Interim Financial Statements" in preparing this Interim Financial Information. The accounting policies adopted are consistent with those applied by the Group in the preparation of the annual consolidated financial statements for the year ended 31 January 2024.

The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective. Several amendments and interpretations apply for the first time in 2024, but these do not have a material impact on the interim condensed consolidated financial statements of the Group. The financial information for the year ended 31 January 2024 set out in this interim report does not comprise the Group's statutory accounts as defined in section 434 of the Companies Act 2006.

The statutory accounts for the year ended 31 January 2024, which were prepared under international accounting standards in conformity with the requirements of the Companies Act 2006, have been delivered to the Registrar of Companies. The auditors reported on those accounts; their report was unqualified and did not contain a statement under either Section 498(2) or Section 498(3) of the Companies Act 2006 and did not include references to any matters to which the auditor drew attention by way of emphasis.

1.1 Critical accounting judgements and key sources of estimation uncertainty

The preparation of condensed Interim Financial Information requires the Directors to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. There are no changes to critical accounting judgements and key sources of estimation uncertainty from those disclosed in the annual accounts for the year ended 31 January 2024.

2. 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. Management has determined the operating segment based on the reports reviewed by the Board.

The Board considers that during the period ended 31 July 2024 the Group operated in the three business segments according to the geographical location of its operations and those being:

- United Kingdom
- Europe; and
- India

Six months to 31 July 2024	**United Kingdom £'000**	**Europe £'000**	**India £'000**	**2024 £'000**
Revenue	29,375	383	167	29,925
Cost of sales	(22,974)	(532)	(8)	(23,514)
Gross Profit	6,401	(149)	159	6,411
Administrative expenses	(8,695)	(1,202)	(208)	(10,105)
Exceptional costs	(400)	-	-	(400)
Operating loss	(2,694)	(1,351)	(49)	(4,094)

Interest payable and similar expenses	(170)	(122)	(2)	(294)
Loss before tax	(2,864)	(1,473)	(51)	(4,388)
Taxation	1,088	16	(7)	1,097
Loss after tax	(1,776)	(1,457)	(58)	(3,291)

2. SEGMENT REPORTING (continued)

Net Assets as at 31 July 2024	**United Kingdom £'000**	**Europe £'000**	**India £'000**	**2024 £'000**
Assets:	25,813	13,000	279	39,092
Liabilities	(14,506)	(8,799)	(250)	(23,555)
Net assets	11,307	4,201	29	15,537

Six months to 31 July 2023	**United Kingdom £'000**	**Europe £'000**	**India £'000**	**2023 £'000**
Revenue	25,476	371	200	26,047
Cost of sales	(16,802)	(283)	(89)	(17,174)
Gross Profit	8,674	89	111	8,873
Administrative expenses	(7,722)	(1,092)	(159)	(8,973)
Operating profit/(loss)	952	(1,003)	(49)	(100)
Interest payable and similar expenses	(325)	(18)	3	(341)
Profit/(Loss) before tax	626	(1,021)	(46)	(441)
Taxation	464	82	(6)	540
Profit/(Loss) after tax	1,090	(940)	(51)	99

Net Assets as at 31 July 2023	**United Kingdom £'000**	**Europe £'000**	**India £'000**	**2023 £'000**
Assets:	37,373	11,647	517	49,537
Liabilities	(12,254)	(11,702)	(564)	(24,520)
Net assets / (liabilities)	25,119	(55)	(47)	25,017

Twelve months to 31 January 2024	**United Kingdom £'000**	**Europe £'000**	**India £'000**	**2024 £'000**
Revenue	52,561	676	581	53,818
Cost of sales	(41,204)	(322)	(65)	(41,591)

Gross Profit	11,357	354	516	12,227
Administrative expenses	(14,971)	(2,409)	(485)	(17,865)
Exceptional costs	(1,594)	-	-	(1,594)
Operating profit/(loss)	(5,208)	(2,055)	31	(7,232)
Interest payable and similar expenses	(335)	(333)	1	(667)
Profit/(Loss) before tax	(5,543)	(2,388)	32	(7,899)
Taxation	1,538	28	(6)	1,560
Profit/(Loss) after tax	(4,005)	(2,360)	26	(6,339)

2. SEGMENT REPORTING (continued)

Net Assets as at 31 January 2024	**United Kingdom £'000**	**Europe £'000**	**India £'000**	**2024 £'000**
Assets:	35,998	11,060	360	47,418
Liabilities	(18,105)	(10,054)	(294)	(28,453)
Net assets	17,893	1,006	66	18,965

3. REVENUE

	Six months to 31 Jul 2024 £'000	**Six months to 31 Jul 2023 £'000**	**Twelve months to 31 Jan 2024 £'000**
United Kingdom	29,375	25,476	52,561
Europe	383	371	676
Rest of the World	167	200	581
	29,925	26,047	53,818

4. EXCEPTIONAL COSTS

	Six months to 31 Jul 2024 £'000	**Six months to 31 Jul 2023 £'000**	**Twelve months to 31 Jan 2024 £'000**
Restructuring costs	400	-	1,449
Rectification costs	-	-	145
	400	-	1,594

Exceptional costs are those of significant size and of a non-recurring nature that require disclosure in order that the underlying business performance can be identified. The exceptional costs in these financial statements include restructuring costs in respect of salary and redundancy costs following the headcount reduction exercise undertaken by the Group, which included the breakup and cessation of the low-carbon solutions delivery team for private, domestic customers. The rectification costs were incurred by the business, outside the normal course of operations, on one contract, where certain key components failed to perform to specified manufacturers' standards.

5. OPERATING LOSS

Operating loss from continued operations is stated after charging:

	Six months to 31 Jul 2024 £'000	Six months to 31 Jul 2023 £'000	Twelve months to 31 Jan 2024 £'000
Depreciation of property, plant and equipment	515	297	824
Depreciation of right-of-use assets	229	333	412
Amortisation of intangible assets	459	204	788
Share based payments	198	58	279

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 period.

	Six months to 31 Jul 2024	Six months to 31 Jul 2023	Twelve months to 31 Jan 2024
Profit/(Loss) for the period from continuing operations – £'000	(3,291)	99	(6,339)
Weighted number of ordinary shares in issue	33,222,130	33,388,788	33,388,788
Weighted number of fully diluted ordinary shares in issue	34,303,398	33,554,803	33,985,502
Basic earnings per share from continuing operations – pence	(9.91)	0.47	(18.98)
Diluted earnings per share from continuing operations – pence	(9.91)	0.47	(18.98)

* Adjusted diluted EPS in the period was (7.85p), Jan 24 (18.98), Jul 23 0.47 – this is a non IFRS measure

7. TRADE AND OTHER RECEIVABLES

	31 Jul 2024 £'000	31 Jul 2023 £'000	31 Jan 2024 £'000
Trade receivables	4,238	4,895	4,491
Other debtors	1,994	2,671	2,039
Prepayments and accrued income	8,144	16,140	14,996
	14,376	23,706	21,526

Notes to the financial information (continued)

8. BORROWINGS

	31 Jul 2024 £'000	31 Jul 2023 £'000	31 Jan 2024 £'000
Current	2,046	1,457	1,913
Non-current	2,371	4,023	3,288
	4,417	5,480	5,201

Analysis of maturity of loans is given below:

	31 Jul 2024 £'000	31 Jul 2023 £'000	31 Jan 2024 £'000
Amounts falling due within one year			
Other loans	2,046	1,457	1,913
Amounts falling due 1-2 years			
Other loans	1,776	1,821	2,348
Amounts falling due 2-5 years			
Other loans	595	2,202	940
	4,417	5,480	5,201

Other loans relate to a £6,000,000 facility provided by HSBC to Cenergist Limited and a €1,500,000 facility provided to Cenergist Spain SL by Instituto De Finanzas De Castilla-La Mancha S.A.U. ("CLM") and a €500,000 facility provided to Cenergist Spain SL by BankInter SA ("Bank Inter") and are secured by fixed and floating charges over the assets of the Company and by cross guarantees from the Company's subsidiary undertakings.

Interest on the HSBC facility is at a rate of 3.45% over the Bank of England Base Rate with the repayment period being 48 months from date of individual tranche drawdown.

Interest on the CLM facility is at a rate of 3.50% with the repayment period being 84 months from date of individual tranche drawdown.

Interest on the Bank Inter facility is at a rate of 8.77% with the repayment period being 18 months from date of individual tranche drawdown.

Notes to the financial information (continued)

9. RECONCILIATION OF MOVEMENT IN NET DEBT

	At 1 February 2023	Non-cash changes	Cashflow	At 31 July 2023
	£'000	£'000	£'000	£'000
Cash at bank	3,224	-	2,739	5,963
Borrowings - current	(2,793)	-	1,336	(1,457)
Borrowings – non-current	(3,408)	-	(615)	(4,023)

Lease liability – current & non - current	(1,726)	31	(175)	(1,870)
Net (Debt) / Cash	(4,703)	31	3,285	(1,387)
Adjusted Net (Debt)/Cash[2]	**(2,977)**	**-**	**3,460**	**483**

	At 1 August 2023	Non-cash changes	Cashflow	At 31 January 2024
	£'000	**£'000**	**£'000**	**£'000**
Cash at bank	5,963	-	401	6,364
Borrowings - current	(1,457)	-	(456)	(1,913)
Borrowings – non-current	(4,023)	-	736	(3,287)
Lease liability – current & non - current	(1,870)	714	(341)	(1,497)
Net (Debt) / Cash	(1,387)	714	340	(333)
Adjusted Net Cash[2]	**483**	**-**	**681**	**1,164**

	At 1 February 2024	Non-cash changes	Cashflow	At 31 July 2024
	£'000	**£'000**	**£'000**	**£'000**
Cash at bank	6,364	-	(1,692)	4,672
Borrowings - current	(1,913)	(133)	-	(2,046)
Borrowings – non-current	(3,287)	-	916	(2,371)
Lease liabilities – current & non-current	(1,497)	471	(246)	(1,272)
Net (Debt) / Cash	(333)	338	(1,022)	(1,017)
Adjusted Net Cash / (Debt)[2]	**1,164**	**(133)**	**(776)**	**255**

[2]Adjusted Net Cash / (Debt) is considered to be a Key Performance Indicator and consistent with how the Group measures net cash / debt. It is calculated as cash at bank less borrowings. Note this is an Alternative Performance Measure and is a non-IFRS measure.

Notes to the financial information (continued)

10. EVENTS SUBSEQUENT TO PERIOD END

The Group has not identified any subsequent event to be reported.