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eEnergy Group PLC
30 January 2025

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

Trading update

Record H22024 revenue and EBITDA
FY2023 accounting adjustments

eEnergy (AIM: EAAS), the UK's leading Energy-as-a-Service and Lighting-as-a-Service business to the education and healthcare sectors, announces a trading update for the year ended 31 December 2024, together with an update on the Board's outlook for FY2025. In addition, the Company announces adjustments to its results for FY2023.

H2 2024 Trading update

- H2 delivered record revenue of circa £21.1 million (H22023 restated £10.5 million)
- Adjusted EBITDA[1] for H22024 of £2.4 million (12% EBITDA margin)
- Momentum has continued into 2025 with Q1 expected to be another record quarter with a strong contracted revenue order book of £7.0 million
- Wins announced in Q4 including appointment to the NHS Commercial Solutions Sustainable Estates Framework Agreement and a £975,000 LED lighting contract with Newcastle College Group
- Strengthening of the Company's financial control environment and introduction of a sharper focus on operational performance with steps taken to reduce the fixed cost base of the business

FY 2024*

- As a result of a record Q3 and Q4 and the adjustments outlined below, Revenue in FY2023 increased by £14.4 million to circa £27.1 million in FY2024
- Adjusted EBITDA for FY2024 improved by £4.0 million to £0.4 million, compared to the restated £3.6 million annualised EBITDA loss for FY2023
- Exceptional charge in FY2024 of circa £4.2[2] million (includes a non-cash share-based payments charge of £0.6 million), together with costs associated with the re-organisation of the Group (18 months ended 31 December 2023: Restated Exceptional charge of £5.5 million[1,2] includes a non-cash share-based payments charge of £0.8 million)
- Net cash at year end (excluding IFRS 16 liabilities) of £2.3 million with no debt (FY2023: net debt (excluding IFRS 16 liabilities) of £7.3 million (pre the sale of the Energy Management business))

Accounting adjustments

Three non-cash adjustments were identified as part of a review of the accounting in FY2023, which together have been reflected in the restated annualised FY2023 comparatives as follows:
- Reported annualised FY2023 revenue of £17.5 million is reduced by a net £2.0 million to £15.5 million to correctly state project accounting balances
- A £2.1 million Exceptional charge within Operating Expenses in FY2023 to write off unrecoverable debtors as at 31 December 2023 - which mainly related to the Energy Management business which was sold in February 2024
- Restated annualised FY2023 revenue of £15.5 million is further reduced by £2.8 million to £12.7 million and annualised FY2023 gross profit is reduced by £1.4 million to harmonise accounting revenue recognition in FY2023

** FY2024 results and accounting adjustments subject to completion of audit process*

2025 Outlook

Following a record H22024 with revenue of circa £21.1 million, our momentum has continued into Q12025 with a strong contracted revenue order book of £7.0 million (£1.0 million more than the £6.0 million revenue for the whole of H1 2024). The Board is confident of a positive EBITDA result for H12025, which is typically a weaker period of trading compared to the second half of the year, driven in part by operational efficiencies and tighter cost controls. As a result, the Board is confident that the business will deliver significantly improved EBITDA and cash generation in FY2025.

Harvey Sinclair, CEO of eEnergy, commented:

"I am pleased to report a return to strong growth for eEnergy. We have demonstrated our ability to grow revenue, improve gross margin and generate a significantly improved underlying financial performance.

The strong finish to the year saw a successful appointment to the NHS Commercial Solutions Sustainable Estates Framework Agreement and the signing of a £975,000 contract with Newcastle College Group to deliver a full LED lighting conversion across ten buildings in Newcastle and Carlisle in November 2024. This is evidence of eEnergy's strategy to accelerate energy efficiency solutions through frameworks, competitive tenders and reducing sales cycles, while extending our market leading reach within the education sector to include the university segment.

We start FY2025 with a debt free balance sheet, a record forward order book, a strengthened operational management team

We start FY2025 with a debt free balance sheet, a record forward order book, a strengthened operational management team, a reduced cost base and are more focused than ever on improving gross margin and cash generation.

We are market leaders in our sector serving education and healthcare organisations and are well placed to drive further significant growth. The Board is confident that the business will deliver significantly improved EBITDA and cash generation in FY2025."

Note: (1) Adjusted EBITDA

Adjusted EBITDA is earnings before interest, tax and depreciation, excluding exceptional items and share-based payment charge.

Note (2) Exceptional items

Exceptional Items are those items which, in the opinion of the Directors, should be excluded from Adjusted EBITDA in order to provide a consistent and comparable view of the underlying performance of the Group's Energy Services ongoing business, including the costs incurred in delivering acquisitions, the sale of businesses, the net gain / (loss) on sale of businesses, costs of restructuring and transforming acquired / disposed of businesses, together with the non-cash share-based payments charge.

Note: (3) Revenue recognition and accounting error adjustments

In FY2024, the Group introduced a more structured revenue recognition policy. This recognises 30% of project revenue upon contract signing, with the balance of revenue being recognised only when linked to clear / defined project milestones. In addition, the Group has amended its policies with regards to the recognition of project costs against revenue to ensure a more accurate and prudent basis of reporting. This revised policy reduces the potential for an overstatement / early recognition of project revenue, and an understatement of project costs during the life of a project which occurred in FY2023 and prior periods.

The Group has therefore restated prior year comparatives for both revenue and cost of sales. Additionally, the balance sheet project entries as of 31 December 2023 will be restated to reflect the impact of this change in accounting policy.

This announcement contains inside information for the purposes of Article 7 of the Market Abuse Regulation (EU) No. 596/2014, as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018, as amended.

For further information, please visit www.eenergy.com or contact:

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About eEnergy Group plc

eEnergy (AIM: EAAS) is revolutionising the path to Net Zero providing customers with energy solutions to reduce their energy usage with LED lighting and to generate their own electricity using solar power. Our product offering avoids the upfront capital cost for the customer of the investment using a third party funded solution if required by the customer. eEnergy provides a feasibility study to its customers to demonstrate the efficacy of its proposed energy saving and cost reduction solutions. All of its services are delivered seamlessly through its project managers based across the UK and through a central team based in London.

eEnergy's customer solutions provide real cash flow savings and cost reductions through the deployment of energy efficient technology on the customer premises. Every project is carefully designed by our in-house team and installed at a time to suit our customers. eEnergy is serious about helping its customers achieve Net Zero.

Our primary services include:

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

eEnergy is market leader within the UK education sector and has been awarded the Green Economy Mark by London Stock Exchange in recognition that more than 50% of its revenue is generated from projects that work towards the delivery of Net Zero.

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