RNS Number : 8175I
Parkmead Group (The) PLC
25 November 2025

25 November 2025

The Parkmead Group plc
("Parkmead", "the Company" or "the Group")

Preliminary Results for the year ended 30 June 2025

Parkmead, the independent energy group focused on growth through gas and renewable energy projects, is pleased to report its preliminary results for the year ended 30 June 2025.

HIGHLIGHTS

Transformative Year - Strong Growth in Finances

- Profit after tax of £7.35 million, up 49% (2024: £4.94 million)
- Earnings per share rose 49% to 6.72 pence (2024: 4.52 pence)
- Net Assets increased to £27.0 million, up 38% (2024: £19.6 million)
- Net Assets are equivalent to 25 pence per share
- Cash reserves increased by 39% to £13.2 million (2024: £9.5 million)

Strategic Divestment of Offshore UK Oil Licences

- Successfully completed the sale of our North Sea licences in April.
- Near term value created of c.£30 million net to Parkmead
- This comprises £14 million of firm cash, plus c.£16 million of costs covered for Parkmead's share of the commitment well at Skerryvore. £7 million of the firm cash was received on completion and a further £7 million is payable over the next 15 months
- Further contingent cash payments of up to £120 million could be received by Parkmead, if field development plans are approved in future on the licences containing Skerryvore (£30 million) and Fynn Beauly (£90 million)

Renewable Energy Projects Driving Forward

- Parkmead continues to build its position in renewable energies. The Glenskinnan Renewable Energy Park is a major integrated renewables scheme being developed in partnership with Galileo Empower, a leading European renewable energy developer
- Glenskinnan is being designed to deliver up to 98 MW of wind generated electrical capacity across 14 turbines, alongside 20 MW of solar PV and 30 MW of battery storage. Parkmead's owned land at Pitreadie is expected to accommodate over 50% of the combined installed capacity proposed in the planning application, making it a central component of the development
- Kempstone Hill wind farm delivered consistent performance and revenue during the period
- Production of electricity increased by 6% to 2,717 MWh (2024: 2,570 MWh)
- Parkmead has achieved and maintained an exceptionally high level of operational efficiency at Kempstone Hill, in the range 96-99%

Netherlands Gas Asset Base Expanding

- Parkmead has retained 100% of its cash producing assets, including all its interests in the Netherlands gas fields
- These assets continue to provide valuable cash flow and growth potential, which both support the Group's future strategy.
- Further drilling is being planned for 2026 at Drenthe V
- Detailed design work is also underway for an additional well on the Drenthe VI licence

Parkmead is Well Positioned for Future Growth

- Non-hydrocarbon share of total revenues increased for the third consecutive year to 15% of revenue (2024: 12%)
- Cost of sales reduced to £2.2 million (2024: £ 2.3 million) through strict cost discipline
- Given that Parkmead is no longer an offshore licence operator in the North Sea, with all the regulatory aspects and operational demands that entails, we have reduced staff levels and reduced our office space by over 40%
- Parkmead's balance sheet remains strong with total assets of £32.5 million

Parkmead's Executive Chairman, Tom Cross, commented:

"Parkmead has delivered a year of exceptional results, through strong operational performance and by securing a strategic divestment of our offshore North Sea oil licences. Together these have strengthened our finances significantly and achieved earnings of over 6.7 pence per share.

Our Net Assets have built to £27 million, which is equivalent to 25 pence per share.

Parkmead continues to benefit from a balanced approach to building its portfolio and is increasing its exposure to the UK renewables market. The Glenskinnan Renewable Energy Park is aligned to the new UK Government targets for onshore wind.

The Group's robust financial position provides Parkmead with a distinct advantage as we seek to further enhance shareholder value through growth opportunities across the Group."

For enquiries please contact:

The Parkmead Group plc	+44 (0) 1224 622200
Tom Cross (Executive Chairman)	
Andrew Smith (Business Development Director)	
Cavendish Capital Markets Limited	+44 (0) 20 7220 0500
Marc Milmo / Seamus Fricker - Corporate Finance	
Andrew Burdis - ECM	

CHAIRMAN'S STATEMENT

I am pleased to report on a transformational year for Parkmead in 2025.

Building upon our experience and detailed understanding of the challenges and uncertainty facing the future of the UK offshore oil & gas industry, the Board's strategy of diversifying our asset base has proven its worth. Our UK onshore renewables portfolio has provided a platform for the Group to drive forward, despite the political headwinds faced by the upstream E&P sector. Renewable energy is growing to become a more substantial part of our overall revenue, totalling 15% in FY25 compared with 12% in the prior year. This growth in green energy complements our low carbon, natural gas production in the Netherlands.

Through focused management, the Group has delivered a 39% increase in earnings per share of 6.72p and profit after tax of £7.35 million. The key component of this was the successful sale of Parkmead's wholly owned subsidiary Parkmead (E&P) Limited. Through this innovative deal we will receive £14 million of firm cash consideration and also retain significant upside relating to each of the two offshore exploration licences we sold. Up to a further £120 million may become payable to Parkmead, should field development plans be approved in the future.

Our strong financial position and broad asset base positions Parkmead extremely well, with no material capital commitments. Our natural gas fields in the Netherlands provide ongoing production and opportunities for organic growth via further drilling for additional reserves.

Parkmead is now very well placed to exploit new growth opportunities during the next phase of the Company's development, as we look to build value from renewable energies and natural gas.

Strong Financial Performance

Parkmead has delivered a record profit after tax of £7.35m (FY24: £4.94m) due to the large gain realised from the disposal of Parkmead (E&P) Limited, coupled with strong operating performance. This is equivalent to earnings per share of 6.72p (FY24: 4.52p).

Group turnover for the year was £4.1m (FY24: £5.7m). The year-on-year decrease was due to a reduction in gas volumes as a result of some maintenance shut downs and natural decline. The average realised gas price in the period increased as a result of some maintenance shut downs and natural decline. The average realised gas price in the period increased to €40.1/MWh (FY24: €34.2/MWh). Electricity generation at Kempstone Hill increased to 2,717MWh (FY24: 2,570 MWh).

Operating costs have remained very tightly controlled at £2.2m (FY24: £2.3m) contributing to a strong operating profit for the period of £7.5m (FY24: £1.3m).

Parkmead continued to build a strong balance sheet with net assets increasing by 38% to £27.0m equivalent to 25 pence per share (FY24: £19.6m). Cash and cash equivalents in the year rose 39% to £13.2m (FY24: £9.5m).

Our modest financial debt has continued to reduce with £0.7m outstanding at 30th June 2025 (FY24: £0.8m). This small debt was inherited as a result of the acquisition of Kempstone Hill Wind Energy Limited.

Strategic Divestment of Parkmead (E&P) Limited

Parkmead carefully considered the outlook for its UK North Sea oil licences and the major capital requirements that would be needed were they to be progressed through drilling, appraisal and development. The offshore sector has serious difficulties in the form of high and rising costs and the current negative political environment towards UK oil & gas, with the focus of the UK Government on its net-zero strategy. In this context, Parkmead believes that the opportunity to progress these offshore UK licences is best served within the portfolio of a larger, North Sea focused company.

Parkmead remains exposed to the large upside on both the Skerryvore and Fynn licences, but without any capital requirements, through contingent payments of up to £30m and £90m respectively, should Skerryvore or Fynn reach field development plan (FDP) approval.

Post completion, the Skerryvore joint venture received an 18 month extension on the licence to 31 March 2027 to allow time for the drilling of the commitment well.

Netherlands Gas Assets Expanding

Parkmead's portfolio of onshore natural gas fields in the Netherlands has continued to perform in line with expectation. Gross production across the portfolio was 2.1kboepd (thousands of barrels of oil equivalent per day).

The outlook for the Drenthe VI concession is particularly exciting, with numerous attractive prospects being analysed. Parkmead has also agreed the unitisation of the neighbouring VDW-A prospect, which sits partially on its Drenthe VI concession, ahead of a potential Final Investment Decision being taken by the partnership.

At the Company's important Papekop field development, work is ongoing with detailed surface, well and pipeline work scheduled for 2026.

At Drenthe V plans are continuing to prepare well design and long lead requirements for a GSB-02 well in 2026. This includes targeting new gas reserves which are now understood to be separated from, and therefore additional to, the rest of the field. Recent technical work has calculated that significant in-place gas volumes of 157Bcf remain at Geesbrug and Geesbrug-02.

UK Renewable Energy Portfolio is Growing

Kempstone Hill Wind Farm

Our operated wind farm at Kempstone Hill has continued to perform well during the year, generating 2,717MWh (FY24: 2,570MWh) of electricity. Excellent uptime has been achieved, allowing for more power to be generated in the period, with average uptime of 98% during the year (FY24: 90%). Shut downs for routine maintenance in the prior period reduced uptime.

Following the year end, the Group successfully negotiated an updated Purchase Price Agreement covering Kempstone for the twelve month period ending 30 September 2026 at an average export price of £87.6/MWh.

Pitreadie Wind and Solar Projects

Parkmead is in advanced commercial discussions with a major renewable energy developer, Galileo Empower, regarding a potential joint venture whereby Parkmead would participate in a significant renewable energy development of up to 98 MW of generation via 14 wind turbines, 20MW of solar photovoltaics (PV) and 30MW of battery energy storage system (BESS). Together these three projects at Pitreadie form the Glenskinnan Renewable Energy Park.

Initial public consultation was completed in 2025 and over the coming months further consultations are scheduled before a Section 36 planning application is lodged.

Parkmead's owned land at Pitreadie is expected to accommodate over 50% of the combined installed capacity proposed in the planning application, making it a central component of the development.

Brachmont Solar Opportunity

Parkmead's renewable energy team is examining a number of further solar power opportunities. Studies include the technical merits and commercial potential to develop a solar energy farm in the Brachmont area of Aberdeenshire, where conditions appear favourable.

Outlook

We are in a position of relative financial strength due to our Netherlands gas and UK renewable income streams, our healthy cash balances and carefully controlled costs. In addition, the Group has exposure to significant upside potential from future contingent payments of up to £120m should FDP approvals occur on the Skerryvore and Fynn Beauly UK offshore licences.

As set out above, we believe that there is an opportunity to deliver significant shareholder value from the groundwork we have done to date. Parkmead continues to progress its attractive hopper of organic growth initiatives, such as the Glenskinnan Renewable Energy Park development opportunity, whilst expanding our portfolio of natural gas targets in the Netherlands. We are also focused on complementing our organic growth by exploring opportunities to build upon the Group's asset base through carefully selected acquisitions.

Oil and gas will continue to play an important role in the global energy mix and we are continuing to assess international E&P investment in lower cost environments than the UK North Sea.

Beyond these opportunities, we are also targeting the acquisition of further cashflow generating renewable energy assets onshore UK to deliver additional value for our shareholders.

Tom Cross

Executive Chairman

24 November 2025

Group statement of profit or loss and other comprehensive income
for the year ended 30 June 2025

		30/06/2025	30/06/2024
Continuous operations	Notes	**£'000**	£'000
Revenue		**4,053**	5,720
Cost of sales		**(2,187)**	(2,302)
Gross profit		**1,866**	3,418
Exploration and evaluation expenses		**(1,477)**	(300)
Impairment of property, plant and equipment		**(1,185)**	-
Gain / (loss) on sale of assets		**11,818**	(2)
Administrative (expenses)/credit		**(3,482)**	(1,780)
Operating profit / (loss)		**7,540**	1,336
Finance income		**187**	148
Finance costs		**(254)**	(412)
Profit / (loss) before taxation		**7,473**	1,072
Taxation		**(127)**	2,357
Windfall taxation		**-**	1,513
Profit / (loss) for the period attributable to the equity holders of the Parent		**7,346**	4,942
Profit / (loss) per share (pence)			
Basic		6.72	4.52
Diluted		6.72	4.07

Group statement of financial position

as at 30 June 2025

	30/06/2025	30/06/2024
	£'000	£'000
Non-current assets		
Property, plant and equipment: development & production	2,188	4,049
Property, plant and equipment: other	5,577	5,603
Goodwill	1,084	1,084
Exploration and evaluation assets	40	2,481
Trade and other receivables	3,622	-
Total non-current assets	12,511	13,217
Current assets		
Trade and other receivables	3,567	1,632
Interest bearing loans	2,703	2,936
Cash and cash equivalents	13,245	9,486
Term deposits	438	-
Total current assets	19,953	14,054
Total assets	32,464	27,271
Current liabilities		
Trade and other payables	(2,854)	(1,877)
Windfall taxation	-	(861)
Current tax liabilities	(91)	(2,192)

Total current liabilities	(2,945)	(4,930)
Non-current liabilities		
Other liabilities	(1,220)	(760)
Loan	-	(668)
Decommissioning provisions	(1,309)	(1,269)
Total non-current liabilities	(2,529)	(2,697)
Total liabilities	(5,474)	(7,627)
Net assets	26,990	19,644
Equity attributable to equity holders		
Called up share capital	19,688	19,688
Share premium	83,625	83,625
Merger reserve	3,376	3,376
Retained deficit	(79,699)	(87,045)
Total equity	26,990	19,644

Group statement of changes in equity

for the year ended 30 June 2025

	Share capital £'000	**Share premium £'000**	**Merger reserve £'000**	**Retained deficit £'000**	**Total £'000**
At 30 June 2023	**19,688**	**83,625**	**3,376**	**(92,029)**	**14,660**
Profit for the period	-	-	-	4,942	4,942
Total comprehensive profit for the year	-	-	-	4,942	4,942
Share-based payments	-	-	-	42	42
At 30 June 2024	**19,688**	**83,625**	**3,376**	**(87,045)**	**19,644**
Profit for the period	-	-	-	7,346	7346
Total comprehensive profit for the year	-	-	-	7,346	7346
At 30 June 2025	**19,688**	**83,625**	**3,376**	**(79,699)**	**26,990**

Group statement of cashflows

for the year ended 30 June 2025

	Notes	**2025 £'000**	2024 **£'000**
Cashflows from operating activities			
Cashflows from operations		(306)	1,516
Taxation received / (paid)		(2,231)	753
Net cash generated from operating activities		(2,537)	2,269
Cash flow from investing activities			
Interest received		144	109
Acquisition of exploration and evaluation assets		(208)	(414)
Acquisition of property, plant and equipment: development and production		(148)	(187)
Disposal of assets		7,322	-
Acquisition of property, plant and equipment: other		-	(549)
Decommissioning expenditure		(32)	(2,809)
Interest bearing loans		230	-
Change in term deposits		(438)	-
Net cash used in investing activities		6,870	(3,850)
Cash flow from financing activities			
Lease payments		(369)	(239)
Interest paid		(88)	(180)
Repayment of loans and borrowings		(99)	(99)
Net cash used in financing activities		(556)	(518)
Net decrease in cash and cash equivalents		3,777	(2,099)
Cash and cash equivalents at beginning of period		9,486	11,576
Effect of foreign exchange rate differences		(18)	9
Cash and cash equivalents at end of period		13,245	9,486

Notes to the financial information for the year ended 30 June 2025

1. **Basis of preparation of the financial information**
The financial information set out in this announcement does not comprise the Group and Company's statutory accounts for the years ended 30 June 2025 or 30 June 2024.

The financial information has been extracted from the audited statutory accounts for the years ended 30 June 2025 and 30 June 2024. The auditors reported on those accounts; their reports were 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.

The statutory accounts for the year ended 30 June 2024 have been delivered to the Registrar of Companies. The statutory accounts for the year ended 30 June 2025 will be delivered to the Registrar of Companies following the Company's Annual General Meeting.

The accounting policies are consistent with those applied in the preparation of the interim results for the period ended 31 December 2024 and the statutory accounts for the year ended 30 June 2024 and have been prepared in accordance with UK-adopted International Accounting Standards ("IFRS").

2. **Administrative expenses**

Administrative expenses include a charge in respect of a non-cash revaluation of share appreciation rights (SARs) and share based payments totalling £32,000 (2024: credit £661,000). The SARs may be settled via shares or cash and are therefore revalued with the movement in share price. The valuation was impacted by the increase in share price between 30 June 2024 and 30 June 2025.

3. **Profit / (loss) per share**
Profit/(loss) per share attributable to equity holders of the Company arise from continuing and discontinued operations as follows:

	2025	2024
Profit per 1.5p ordinary share from continuing operations (pence)		
Basic	**6.72p**	4.52p
Diluted	**6.72p**	4.07p

The calculations were based on the following information:

	2025	2024
	£'000	£'000
Profit attributable to ordinary shareholders		
Continuing operations	7,346	4,942
Total	7,346	4,942
Weighted average number of shares in issue		
Basic weighted average number of shares	**109,266,931**	109,188,561
Dilutive potential ordinary shares		
Share options	-	-

Profit/(loss) per share is calculated by dividing the profit/(loss) for the year by the weighted average number of ordinary shares outstanding during the year.

Diluted profit/(loss) per share
Profit/(loss) per share requires presentation of diluted profit/(loss) per share when a company could be called upon to issue shares that would decrease net profit or net loss per share. When the group makes a loss the outstanding share options are therefore anti-dilutive and so are not included in dilutive potential ordinary shares.

4. **Notes to the statement of cashflows**
Reconciliation of operating profit to net cash flow from continuing operations

	2025	2024
	£'000	£000
Operating profit	**7,540**	1,346
Depreciation	**1,701**	1,027
Amortisation and exploration write-off	**1,417**	-
Disposal of assets	**(7,322)**	
Profit/(Loss) on sale of property, plant and equipment	**-**	2
Provision for share based payments	**-**	42
Currency translation adjustments	**18**	(9)
Impairment of property, plant and equipment: development and production	**1,185**	-
Decreases / (increase) in receivables	**(6,550)**	(691)
Decrease in stock	**-**	16
Increase/(decrease) in payables	**1,705**	(207)
Net cash flow from operations	**(306)**	1,516

5. **Approval of this preliminary announcement**
   This announcement was approved by the Board of Directors on 24 November 2025.

6. **Publication of annual report and accounts**
   Copies of the Annual Report and Accounts will be made available shortly on the Company's website www.parkmeadgroup.com, along with a copy of this announcement.

END

PREFZLLLEFLXFBK