



# UNLEASHING NET ZERO<sup>TM</sup>

2022

eEnergy Group plc  
Annual Report & Accounts

# Move faster towards Net Zero.

## Our purpose.

Our lives are powered by energy. Some believe Net Zero is unachievable, and with today's energy prices increasing, and tomorrow's energy demands rising, Net Zero could seem an impossible challenge.

**Light bulb moment:** We're here for the challenge. Powered by our collective knowledge and innovative and proprietary technology, we're unleashing Net Zero by challenging the way organisations access, measure, reduce, and connect to energy, both sustainably and profitably.

## Our vision.

Making Net Zero possible and profitable for all organisations.

## Our mission.

Eliminating energy waste and making Net Zero profitable.

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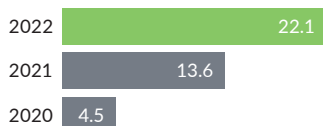
## Highlights

### Financial

#### Revenue £m

**£22.1m**

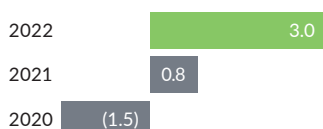
+63% (2021: £13.6m)



#### Adjusted EBITDA £m

**£3.0m**

+261% (2021: £0.8m)



#### Loss Before Tax £m

**£(2.2)m**

(2021: £(0.2)m)



#### Forward Order Book £m

**£25.3m**

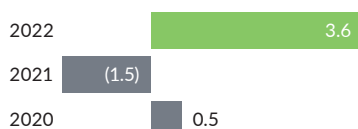
+384% (2021: £5.2m)



#### Net Debt<sup>1</sup> £m

**£3.6m**

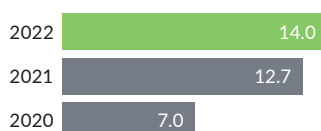
(2021: £(1.5)m Net Cash)



#### Energy Services sales (TCV) £m

**£14.0m**

+10% (2021: £12.7m)



1. Excluding lease liabilities and restricted cash.

### Key credentials

#### Top 5

Business energy services provider.

#### £2m

Approximate value of Energy Services projects being delivered each month.

#### 50% energy savings

Save up to 50% on energy costs and carbon emissions.

#### 2,980

Customers across the UK and Ireland.

#### 20+ years

Providing energy consulting and carbon reduction solutions.

### Operational achievements

- A year of significant investment in acquisitions, integration and platform development.
- Transitioned to a fully integrated organisational and operating model, retaining key talent and maintaining strong customer renewals (85% by value).
- Consolidated four offices into two.
- Established people, brand and processes into a single, compelling customer proposition brought together under the eEnergy brand family from 1 July 2022.
- Successful launch of eSolar and eCharge.
- Delivered commercial launch of MY ZeERO with 722 eMeters contracted during the year with £1.1m Total Contract Value ("TCV").
- Established robust cross-sell proposal and process, with one third of Energy Services TCV signed since January being with pre-existing customers.



Stay up to date with our website:

[eenergy.com/investors](https://eenergy.com/investors)

#### 2 proprietary platforms

Enabling customers to secure lowest cost clean energy supply and access granular data and usage analytics.

#### 128,231 tonnes of carbon

Saved during 12 months to June 2022 by transitioning our clients to green energy and reducing their costs and carbon emissions.

# The Net Zero energy services provider.

**Empowering organisations to achieve Net Zero by tackling energy waste and transitioning to clean energy without the need for upfront investment.**

We eliminate energy waste, save costs and reduce carbon across six target sectors. We operate two proprietary platforms, one on the supply side and one on the demand side of the utility meter. Through these two platforms our customers benefit from two divisions of expertise, **Energy Management** and **Energy Services**. Our two divisions are a natural fit in deploying sector specific expertise and technology through an as-a-Service model, with no upfront cost.

**We improve four fundamental areas.**



## Access cleaner energy.

Access cleaner energy at the lowest cost from our online marketplace and deploy capital free on-site solar generation.

### Key growth drivers

- Demand for zero carbon energy.
- Customer cost focus.
- Leveraging platform efficiencies.
- + Expect to blend with energy data and insights over time.



## Measure your waste.

Capture real-time actionable energy data and insights, eliminating waste, unnecessary costs and carbon emissions.

### Key growth drivers

- Focus on energy wastage.
- Enabling reporting solutions.
- Leveraging Group customers.
- + Exponential growth from launch.
- + Growth enabler for Energy Services.



## Reduce carbon and costs.

Switch to energy efficient technologies with zero upfront cost, saving energy and reducing carbon.

### Key growth drivers

- Demand for zero carbon energy.
- Customer cost focus.
- Leveraging platform efficiencies.
- + Expand into a broader range of technologies.



## Connect sustainably.

Deploy capital free fast and rapid EV charging points, and on-site solar generation for a sustainable future.

### Key growth drivers

- Demand for zero carbon energy.
- Customer cost focus.
- Leveraging platform efficiencies.
- + Supported by strategic partnerships and/or acquisitions.

Energy Management

Energy Services

## Our investment case

1

### Once in a generation market opportunity.

- Well positioned to benefit from accelerating climate action and regulatory Net Zero targets.
- Established business with 20-year growth record, turbo-charged by high energy prices.
- Acknowledgement that higher energy prices now represent a 'new normal'.
- Continued momentum in securing public and private sector management and service contracts.

23%

Of businesses cite energy prices as their main concern.

2

### Unique proposition through proprietary technology.

- Innovative, proprietary technology presents high barrier to entry.
- Our owned marketplace platform enables cheapest clean energy pricing for customers.
- Smart analytics platform provides data insights to implement energy wastage reduction strategies.
- Clear differentiator to develop long customer relationships.
- Underpins long-term, re-occurring subscription revenue model.

2

Proprietary platforms.

3

### Integrated Net Zero proposition.

- Cross and up selling products and services to existing customers with attractive margins.
- Offering a balanced suite of products to target customers' specific energy needs.
- Package solution can present enhanced returns to customer over single-product solutions.
- Strategic engagement with Energy Management customers to mitigate higher energy costs by helping reduce grid reliance.
- Long-lasting strategic relationships support increased customer spend.

One third

Of Energy Services TCV from pre-existing customers.

4

### Innovative, capital-free, as-a-Service solutions.

- Long term supportive funding partners with appetite to invest further.
- As-a-Service market expected to double in next seven years.
- Unparalleled customer track record gives strong platform to launch new product categories.
- Uniquely able to address both supply and demand side customer requirements.
- Primed for margin expansion as revenues grow.
- Accelerating our customers' Net Zero strategy without upfront cost.

1,000+

Energy Services projects completed.

5

### Re-occurring and diversified revenue streams.

- High quality client base with contracted recurring revenues give long-term financial visibility.
- Expanded product offering generates re-occurring revenue opportunities with existing customers.
- Strong renewal rates amplify the value of the Forward Order Book.
- Diversified revenue streams reduce potential supply chain and market risks.

85%

Retention rate in Energy Management.

6

### Experienced and invested team.

- Invested and strategic Board for ambitious growth.
- Management with a strong track record for growing businesses and delivering value.
- Full service capability following successful M&A strategy: integration of five acquisitions to date.
- Single brand leveraging 20-years of experience, loyalty and credibility.
- Awarded the Green Economy Mark by the London Stock Exchange.
- Robust employee retention rates.

24%

Of equity owned by the Board.



# It has never been easier to transition to Net Zero.



**David Nicholl**  
Non-Executive Chairman

## Introduction

I am pleased to report on what has been a pivotal year for eEnergy, as we established an integrated proposition under the eEnergy brand, enabling us to fulfil our vision to make Net Zero both possible and profitable for organisations.

With the foundations of our business model set last year, we have focused on integrating UtilityTeam and the other business units into a single, clear customer proposition; positioning eEnergy as a unique, end-to-end energy services business.

Our vision is clear, to make Net Zero both possible and profitable for all organisations. Enabling every business to access the lowest cost clean energy, identify and tackle energy waste, reduce energy consumption and transition to an EV charging model through zero capital solutions.

While COVID-19 presented challenges for the business, including prolonged lockdowns in Ireland, eEnergy has weathered the storm from the pandemic and emerged stronger and well positioned to execute its growth strategy.

## Energy Markets

Across Europe, wholesale energy prices have hit record highs, principally caused by Russia's invasion of Ukraine and the resulting effects to gas supply. Many countries across the continent have moved away from Russian gas sources both as a response to the war and in a move to diversify sources of supply. These macroeconomic changes have triggered an inflection point for all organisations across the world as they now attempt to mitigate energy costs and accelerate a move to, not just Net Zero but, energy independence away from the grid.

These massive tailwinds are now well established, and they provide a significant opportunity for eEnergy to accelerate its growth and to capture a share of this huge market opportunity which we predict will see explosive growth over the coming decade.

## Strategy

Following a transformational year, eEnergy has continued to evolve its strategy and business model with the launch of its Solar and EV charging propositions and has now established a true end-to-end solution for organisations looking to transition to Net Zero.

The Company has invested considerable resource into its market leading platform in order to truly differentiate both its products but equally its operating model, which has enabled efficiencies and perfectly positions eEnergy for scalable growth.

eEnergy is establishing itself as a platform business within the Energy Management sector with many unique and innovative digital products that enable its customers to transition to Net Zero faster without the need for capital investment. Coupled with our Energy-as-a-Service model, it has never been easier for an organisation to transition to Net Zero.

We see great parallels with the way the Software-as-a-Service model revolutionised the IT and telecoms sector for businesses of all sizes. This revolution was not achieved overnight but today it is the new normal.

Our Energy-as-a-Service model is a significant enabler for customers adopting energy reduction solutions which we see as a major factor in driving future growth to the business, and as we continue to evolve our funding models for projects, we believe there is an exciting opportunity to start building forward recurring revenue streams, in particular within the metering and EV charging spaces.

While the adoption of this "As-a-Service" model in the UK's energy transition sector lags behind our international counterparts, in the United States, who have seen explosive growth in the last few years, we are now starting to see increased levels of education and awareness, in both the public and private sectors which together with the energy crisis, we believe will now accelerate adoption on a large scale.

Following the integration of its various services into a combined proposition under a single eEnergy brand, the business has embarked on a strategy of cross selling its energy reduction services to its more than 2,000 retained Energy Management customers. Although this takes time, we have been very encouraged by the levels of engagement and we are now securing much larger contracts to both existing and new clients, with Energy Services average project value up 44% and Energy Management average contract duration up 27%.

In May, eEnergy increased its ownership in the Group's MY ZeERO intelligent smart metering and analytics platform from 51% to 85.5%. We made our initial investment in MY ZeERO after we identified the opportunity to integrate proprietary energy analytics hardware and software into our Energy services division. The rollout of the smart meters has been hugely successful and further underpins eEnergy's differentiated and valuable proposition in the market.

Post year end, we have announced an additional £2.5 million investment in the business through a new subordinated debt facility in order to give the business additional cash resources to continue to navigate the working capital cycle of our growing business. Following this new investment in the company, the Board believes we are well



**Our vision is clear, to make Net Zero both possible and profitable for all organisations. Enabling every business to access the lowest cost clean energy, identify and tackle energy waste, reduce energy consumption and transition to an EV charging model through zero capital solutions.**

positioned to benefit from the robust structural and regulatory drivers in the market. The Board are supporting this investment through a c.£0.5m participation in the debt facility.

### People

The eEnergy team has seen significant growth in the last two years following the acquisitions of RSL, Beond, UtilityTeam and Measure My Energy growing from 33 to 128 people in less than 24 months with all teams now fully integrated into the wider eEnergy business. We are very pleased to have retained all the key talent across the divisions, as well as hiring top tier talent across the industry.

Furthermore, we have strengthened our senior leadership team within the year, with the addition of Delvin Lane, ex CEO of UtilityTeam, who is now MD of the Energy Management business, Simon Smith as MD of Energy Services. Louisa Gregory joined in September this year and stepped into the role of Chief People Officer and is a pivotal hire to the C suite as we develop our people strategy.

On the finance side, Crispin Goldsmith has been appointed as CFO of the Group and to the Board, previously holding the role of Chief Strategy & Commercial Officer. Crispin brings valuable experience and knowledge to eEnergy which has already benefited the continued growth of the business.

### Outlook

eEnergy is very well positioned to benefit from exposure to significant regulatory and structural growth drivers in addition to tailwinds created by the energy crisis.

Energy security, consumption and management have become absolutely critical areas of focus for all organisations over the last 12 months, with the current environment providing increased levels of opportunity and awareness in the market for eEnergy's products and services to both new and existing customers.

The final quarter of the financial year was a record period for the business with revenues of £8.3 million and Adjusted EBITDA of £2.0 million. This momentum has continued into the new financial year providing a strong pipeline and the Board remains encouraged by the Group's progress to date and prospects for the future as eEnergy's proposition becomes ever more relevant.

I'd like to take this opportunity to thank the team for their hard work, our customers for their loyalty and our shareholders and debt providers for their continued support.

### David Nicholl

Non-Executive Chairman  
19 December 2022

### Strategy in action



### Recycling Lives.

Recycling Lives is a UK based recycling and waste management organisation established on the key values of creating social value and delivering environmental innovation and governance ('ESG'). Recycling Lives engaged eEnergy to help drive its ESG objectives and tackle decarbonisation across its portfolio.

With an objective of reducing energy consumption and carbon emissions, Recycling Lives transitioned to LED lighting (2,400 fittings), deployed energy analytics to visualise energy consumption and unnecessary energy waste, and implemented quarterly carbon reporting to measure its decarbonisation progress. Activities delivered a reduction of 38% in energy consumption across 19 sites. We are now installing on-site solar (1.81MW) to create further reductions.

**38%**

Reduction in  
energy  
consumption.

**113**

TCO<sub>2</sub>e annual  
carbon  
reduction.

**£665k**

Net saving  
over 10-years.



**The changes implemented by eEnergy have optimised business functions and efficiency.**

**Lucas Hargreaves**

Business Transformation Manager

# A year of significant investment in integrating our proposition.



**Harvey Sinclair**  
Chief Executive Officer

## Introduction

Our vision to make Net Zero both possible and profitable for all organisations, has come of age this year. We are seeing sustained high energy prices which are expected to be prolonged as a result of the energy crisis across the UK and Europe, caused by a multitude of factors, none larger than the reduction of gas supply from Russia.

Alongside these high and increasing energy prices, the drive to tackle climate change has never been more prevalent; together these two market forces have provided a genuine inflection point for eEnergy and the Group is experiencing a huge increase in demand for our integrated Net Zero offering, with record growth in our new business pipeline as we enter the new financial year.

Following a busy FY21 where we successfully executed on our stated M&A strategy and cemented the foundations of our evolved business model, the focus for FY22 was to:

1. Fully integrate our acquisitions through a single operating model;
2. Invest in both our digital platform and our technology solutions; and
3. Integrate our end to end proposition under the single eEnergy brand.

Significant investment was made in the year in order to deliver on these objectives. The integration of the various businesses has been a huge success and the single, clear and integrated proposition, under the eEnergy brand has been well received by customers, who are looking for an end-to-end solution to tackle energy costs and achieve Net Zero. This combined with the market drivers of high energy costs and an obligation to Net Zero resulted in a record Q4, which followed record contract signings achieved in Q3.

We successfully launched two new services:

1. A renewables proposition in eSolar, providing funded roof top solar solutions to our customers; and
2. An EV charging division with eCharge, both of which have surpassed expectations, since their launch in March 2022.

Additionally, we strengthened the management team welcoming Delvin Lane and Simon Smith as Managing Directors for each of the Energy Management and Energy Service businesses respectively.

Having secured additional debt funding subsequent to the year-end, eEnergy is ideally positioned to take advantage of these powerful market tailwinds as businesses and organisations seek to tackle high energy costs and the urgent need to cut carbon, in order to achieve stated Net Zero objectives. We believe we can deliver strong adoption in a challenging economic backdrop through our capital free energy conservation measures.

## Results

For the year ended 30 June 2022 we posted results in line with revised market expectations as we continued to invest in our innovative suite of products and services. We have started to capitalise upon the increased cross-selling opportunities which exist across our existing in-contract client base, executing our strategy of delivering a holistic Net Zero market leading solution.

The year resulted in revenues of £22.1 million (2021: £13.6 million), split between Energy Management and Energy Services divisions 53% and 47% respectively. I am particularly pleased to report that this led to a 264% increase in Adjusted EBITDA of £3.0 million (2021: £0.8 million).

The performance of Energy Services during H1, impacted by the tail-end of Covid-19-related restrictions, was disappointing and weighed on the full-year performance. However, strong and consistent contract sales have been delivered since the start of H2, which drove record revenues for Q4 and a strong pipeline and continuing momentum into FY23.

Net Debt increased during the year as a result of increased levels of investment in software and one-off integration costs, together with an increased working capital requirement as we transitioned to new payment cycles with key partners. Net Debt (including lease liabilities) at the year end was £4.5 million (2021: net cash of £0.8 million) and our cash position (excluding restricted cash balances) was £1.4 million (2021: £3.3 million).

In February, we were pleased to announce the new revolving credit facility with Silicon Valley Bank, providing a revolving credit facility of £5.0 million over three years, with potential for additional capital facilities as eEnergy delivers on its growth plan in the future.

In April, we announced that we had entered into a new €10.0 million committed project funding facility to extend both the scope and scale of our financing arrangements with SUSI Partners AG ("SUSI"), extending the current relationship in Ireland to include the rest of the UK.

These partnerships, with a renowned growth investor and premier fund manager, validate the strength of eEnergy's proposition.

After eEnergy's first investment in MY ZeERO in April 2021, we were pleased to announce in May 2022 that we increased our ownership from 51% to 85.5%. The integration of this proprietary energy analytics hardware and software into our Energy Services division and rollout of the smart meters gives eEnergy a differentiated and valuable proposition in the market.



## Offering

Our vision is to make Net Zero both possible and profitable for businesses and organisations, without the need for capital investment.

We do this by enabling our customers to access the lowest cost, clean energy available, tackling energy wastage, reducing consumption and transitioning to lower cost, on-site energy generation and EV charging solutions.

We are a technology enabled, innovative platform business which differentiates us in the market and enables scalable long term growth.

We own and operate a proprietary marketplace procurement platform which provides “whole of market” pricing through an innovative reverse auction service.

We also own My ZeERO, which provides us with proprietary, intelligent smart metering technology and a cloud based analytics platform which allows circuit level energy monitoring and data insights which is central to tackling energy wastage and delivering validation of energy savings.

In parallel, our Energy Services division offers capital free energy reduction solutions, on-site renewable generation and EV charging solutions. We call this “energy as-a-service” which unlocks energy savings from which a service charge is payable, releasing net cash flow from day one to our clients.

In summary, we provide customers with an end-to-end solution to achieving Net Zero, reducing energy costs without the need for capital investment, in a capital constrained economic environment.

## Strategy

After a transformative FY22, we now have a single clear proposition under the eEnergy brand, and a fully integrated operating model poised and ready for growth.

We have acquired a loyal and contracted customer base of over 2,000 clients which have a strong demand for energy and cost reduction and accessing lower cost energy through on site generation, which we expect to now leverage fully.

Our EV charging solution is well poised for rapid scale in what we expect to be a huge growth market opportunity for both new and existing customers.

Post year-end we announced a £2.5 million investment in the business through a new subordinated debt facility with the goal to give the business additional capacity and working capital headroom to benefit from the significant opportunities available as a result of the powerful market tailwinds and macroeconomic environment and continue to invest in growth.

Following this new debt funding, the Board expects to fund current forecast organic growth through operating cash generation. There may also be the potential to expand debt facilities from existing providers if appropriate.

## Outlook

We are very pleased to see new business opportunities across both our Energy Management and Energy Services divisions grow during Q4 and we enter FY23 benefitting from a robust forward contracted order book, standing at £25.3 million at year end, and a strong sales pipeline. This positive start to FY23 underpins current market expectations for the year.

Looking ahead, the Board remains confident that eEnergy is well placed to utilise the opportunities available resulting from the macroeconomic trends and that we will continue to deliver on our strategic objectives.

**Harvey Sinclair**

Chief Executive Officer

19 December 2022

## Strategy in action



## Bellevue Place Education Trust.

A multi-academy trust which operates nine primary schools across London and Berkshire and is committed to achieving Net Zero by 2030. Concerned by spiralling energy costs, the Trust accelerated its actions to eliminate energy waste and reduce reliance on the grid.

Installing MY ZeERO across their nine schools, the Trust was furnished with first time granular visibility of their energy consumption. Equipped with rich insights, data backed decisions were quickly made to significantly reduce energy consumption. A switch to LED resulted in a 60% reduction in consumption. Furthering their journey towards Net Zero, BPET has engaged with on-site solar for five schools, anticipated to deliver £316,000 20-year net saving.

**60%**

Reduction  
in lighting  
consumption.

**57**

TCO<sub>2e</sub> annual  
carbon  
reduction.

**£488k**

Net saving  
over 10-years.



**eEnergy are the experts to help us identify further energy saving opportunities.**

**Mark Greatrex**  
CEO

# Mega and macro trends.

**Our customers seek a trusted partner that affords credible and practical solutions in a complex and volatile energy market, all the while pushing towards Net Zero.**

## Climate change.

- UK Government 2035 target to reduce greenhouse emissions by 78% compared to 1990 levels.
- UK Government 2030 ban on sales of new petrol and diesel cars and vans.
- 2050 Net Zero target is driving increased demand for renewable energy, and decarbonisation.
- 5th of December 2023 ESOS (phase 3) for reporting submission to The Environmental Agency.

### eEnergy's response

- Tailored portfolio of products improving four fundamental areas **Access | Measure | Reduce | Connect.**
- MY ZeERO helps clients visualise energy consumption and eliminate waste via an affordable monthly subscription.
- eLight energy reduction switch to LED lighting saving up to 70%.
- Launch of eCharge, subscription-based EV charging, providing affordable workplace rapid deployment of EV charging infrastructure.
- Launch of capital-free photovoltaics (PV) eSolar, affording organisations access to renewable on-site generation.

## Post pandemic debt.

- Many organisations have limited capital to invest in energy efficiency projects.
- Businesses are freezing spend on non-essential projects due to capital constraints and market uncertainty.
- Energy consumption profiles have changed due to more flexible working patterns and increasing demand for IoT, business technology and EV charging.

### eEnergy's response

- Energy efficiency solutions such as eLight energy reduction switch to LED lighting saving up to 70%.
- MY ZeERO helps clients visualise energy consumption and eliminate waste via an affordable monthly subscription.
- As-a-Service business model affording organisations access to premium energy efficiency measures with no upfront costs.

## Energy crisis.

- Rising energy costs creating uncertainty for organisations.
- Increased business costs creating greater pressure on existing projects and maintenance budgets.
- UK Government announcing the Public and Private sector require to engage with energy efficiency.

### eEnergy's response

- Launch of capital-free PV eSolar, affording organisations access to renewable on-site generation.
- MY ZeERO and eLight help organisations eliminate energy waste with no upfront investment.

## Compliance & complexity of public sector procurement processes.

- Complex & lengthy procedures.
- Cumbersome and prescriptive toward capital projects.
- 97% failure rate in application to award for public sector customers. EG Education sector, PSDS 2021 funding round.

### eEnergy's response

- Promote as-a-Service leasing options to overcome and negate the cost of delay caused by Government Grant process.



## Market opportunity

There is a huge and positive market opportunity that presents positive macro-economic tailwinds. High energy prices, the UK government's Net Zero ambitions and the growing regulatory and social drivers amplify the economic case for our customers to accelerate their Net Zero strategy.

| Target sectors                                                                                                     | Target segments                                                                                                                                                                          | Size of addressable market           |                              |
|--------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------|------------------------------|
|  <b>Education</b>                 | <ul style="list-style-type: none"> <li>Academy schools.</li> <li>Multi-academy trusts.</li> <li>Independent schools.</li> <li>Sixth form and colleges.</li> <li>Universities.</li> </ul> | <b>32,163</b>                        | <b>142</b>                   |
|                                                                                                                    |                                                                                                                                                                                          | UK Schools.                          | Universities.                |
|  <b>Healthcare</b>                | <ul style="list-style-type: none"> <li>NHS healthcare.</li> <li>Private healthcare.</li> <li>GPs and primary care.</li> <li>Pharmacies.</li> <li>Care homes.</li> </ul>                  | <b>381</b>                           | <b>10.3m</b>                 |
|                                                                                                                    |                                                                                                                                                                                          | Sixth form and colleges.             | Full and part-time pupils.   |
|  <b>Public sector</b>           | <ul style="list-style-type: none"> <li>Council buildings.</li> <li>Blue light services.</li> <li>Central government.</li> <li>MOD.</li> </ul>                                            | <b>1,299</b>                         | <b>11,000</b>                |
|                                                                                                                    |                                                                                                                                                                                          | Public and private hospitals.        | Active community pharmacies. |
|  <b>Food and retail</b>         | <ul style="list-style-type: none"> <li>Food and fast food chains.</li> <li>Food processing plants.</li> <li>Large retail centres.</li> <li>Retail chains.</li> </ul>                     | <b>54,024</b>                        | <b>17,100</b>                |
|                                                                                                                    |                                                                                                                                                                                          | Licensed GPs.                        | Care homes.                  |
|  <b>Leisure and hospitality</b> | <ul style="list-style-type: none"> <li>Council buildings.</li> <li>Blue light services.</li> <li>Central government.</li> <li>MOD.</li> </ul>                                            | <b>13,900</b>                        | <b>355</b>                   |
|                                                                                                                    |                                                                                                                                                                                          | Government buildings.                | Police stations.             |
|  <b>Industry and logistics</b>  | <ul style="list-style-type: none"> <li>Hotel chains.</li> <li>Destination leisure.</li> <li>Sport stadiums.</li> </ul>                                                                   | <b>311,917</b>                       |                              |
|                                                                                                                    |                                                                                                                                                                                          | Fire stations.                       |                              |
|  <b>Food and retail</b>         | <ul style="list-style-type: none"> <li>Food and fast food chains.</li> <li>Food processing plants.</li> <li>Large retail centres.</li> <li>Retail chains.</li> </ul>                     | <b>46,248</b>                        | <b>300,000</b>               |
|                                                                                                                    |                                                                                                                                                                                          | Food outlets.                        | Separate businesses.         |
|  <b>Leisure and hospitality</b> | <ul style="list-style-type: none"> <li>Hotel chains.</li> <li>Destination leisure.</li> <li>Sport stadiums.</li> </ul>                                                                   | <b>11,665</b>                        |                              |
|                                                                                                                    |                                                                                                                                                                                          | Food and drink manufacturing plants. |                              |
|  <b>Leisure and hospitality</b> | <ul style="list-style-type: none"> <li>Hotel chains.</li> <li>Destination leisure.</li> <li>Sport stadiums.</li> </ul>                                                                   | <b>9,055</b>                         | <b>259</b>                   |
|                                                                                                                    |                                                                                                                                                                                          | Hotels.                              | Stadiums.                    |
|  <b>Industry and logistics</b>  | <ul style="list-style-type: none"> <li>Hotel chains.</li> <li>Destination leisure.</li> <li>Sport stadiums.</li> </ul>                                                                   | <b>550</b>                           |                              |
|                                                                                                                    |                                                                                                                                                                                          | Shopping centres.                    |                              |
|  <b>Industry and logistics</b>  | <ul style="list-style-type: none"> <li>Warehousing (light manufacturing).</li> <li>Storage and logistics.</li> </ul>                                                                     | <b>1,500</b>                         | <b>205,380</b>               |
|                                                                                                                    |                                                                                                                                                                                          | Warehouses.                          | Logistics enterprises.       |

# Explosive growth opportunity.

Our customers seek a trusted partner, boasting credible and profitable end-to-end energy solutions to unleash their Net Zero ambitions. This need presents eEnergy with explosive multi-revenue streams of growth opportunity through our robust and proven business model.



## Access

### Growth drivers

- Demand for lowest cost clean energy.
- Demand for carbon footprint reduction.
- Leveraging platform efficiencies.

### Capabilities

- Proprietary market-access trading platform.
- Multi-disciplinary team of seasoned energy specialists.
- Long term strategic customer relationships.

### Revenue model

- Energy procurement contracts are typically three to five years.
- Mix of utility paid and direct consultancy fees.
- Transitioning to monthly subscription based fees facilitated by MY ZeERO.

# £21.6m

Forward Order Book.

# 85%

Renewal rate.



## Measure

### Growth drivers

- Focus on energy wastage.
- Carbon reporting and compliance.
- Leveraging existing Group customers.

### Capabilities

- Proprietary behind-the-meter hardware solution.
- Proprietary cloud-based data analytics platform to identify energy waste and demonstrate savings.

### Revenue model

- Recurring monthly subscriptions under long term contracts (typically more than five years).

# £1.1m

Total contracted value in FY22.

# 722

eMeters contracted in FY22.

← Integrated end-to-end Net Zero proposition →



## Reduce

### Growth drivers

- Focus on reducing energy demand.
- Capital free solutions to unlock Net Zero.
- Leveraging Group customer base.

### Capabilities

- Innovative, capital free as-a-Service solutions.
- Customer payments funded through energy cost savings realised.
- Balanced suite of products to target customers' specific energy needs.

### Revenue model

- Revenue recognised on project installation.
- Monetised through a sale of the receivable to our finance partner.

# 190

Projects completed in FY22.

# 128,231

Tonnes of carbon saved in FY22.



## Connect

### Growth drivers

- On-site generation now 50% cheaper than grid.
- Explosion of demand for electric vehicles.
- Leveraging Group customer base.

### Capabilities

- Reducing grid reliance through solar.
- Giving customers access to low-cost charging infrastructure.
- Innovative, capital free as-a-Service solutions.

### Revenue model

- Revenue recognised on project installation.
- Monetised through a sale of the receivable to our finance partner.
- Solar financed through a Power Purchase Agreement or operating lease.

# 8.9MW

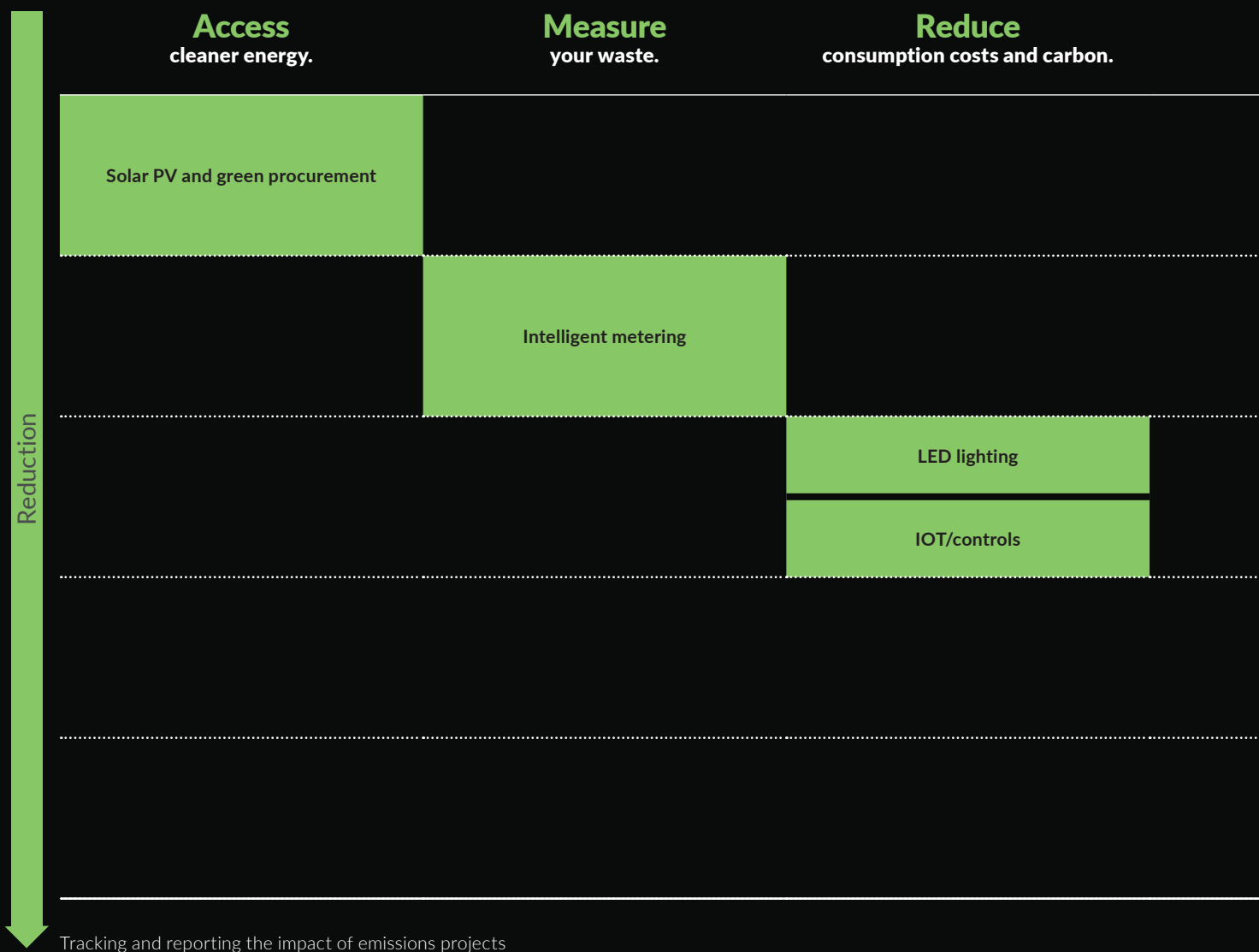
Solar projects under Heads of Terms.



# The economic value in Unleashing Net Zero.

We change the way organisations procure, measure, manage and reduce their energy. **Saving up to 50%.**

## eEnergy carbon waterfall

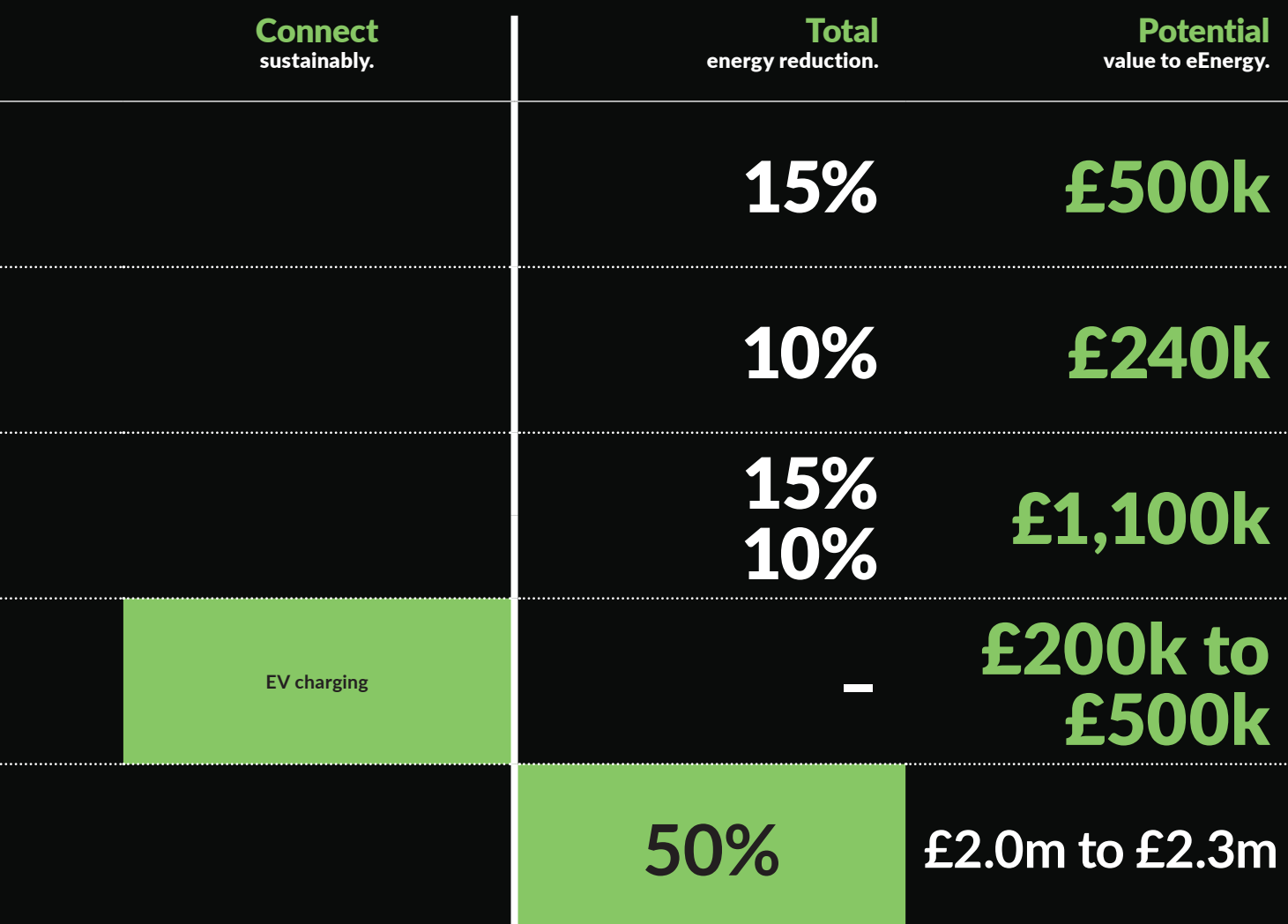


eEnergy's integrated services offering enables us to support our clients to achieve their CO<sub>2</sub> reduction targets at the same time as saving money.

**Our approach focuses on four key strategic areas: Access | Measure | Reduce | Connect.**

The 'waterfall' diagram below depicts how those areas each contribute to the client's CO<sub>2</sub> reduction targets. This illustration is based upon an actual client case study where we have delivered all of our current capabilities in less than six months and we are also providing the tracking and reporting of the impact of each of the emissions projects. The client is estimated to save £0.7 million over the next ten years from the eLight (LED) project across their 20 UK sites.

The waterfall also shows what the Board believes could be the potential 10 year economic value to eEnergy of offering all of the Group's current capabilities to a typical client – approximately £1.1 million, with an additional £0.6 – 1.0 million of value through the further Energy Services and EV growth opportunities.



Over 10-years

# 5% energy cost reduction from our reverse auction platform.

## Reverse auction

Automated energy procurement to afford 100% clarity, with no hidden fees or unexpected pass through charges.

## Differentiator.

Evaluating multiple product types on a like-for-like basis, displaying energy sources, contract length and utility suppliers and providing 100% transparency and customer confidence.

## Disruptor.

Auction bids are displayed live to customers, providing transparency and competition. Auction results allow customers to make informed supplier choices based on energy source, contract length and in-contract energy costs. With no hidden fees.

## Growth enabler.

Access to transparent pricing across all energy markets at the click of a button.

# Proprietary technology. Where suppliers compete to win our clients' energy contracts.

Simplifying energy procurement and delivering price, contract and supplier clarity.



## 29,702

Meter points consuming  
4.6TWh of energy.

## Up to 25

Approved suppliers  
invited to each auction.

## 3,480+

Successful energy  
auctions ran in 2022.

# 30% of UK private and public sector energy is wasted.

## MY ZeERO

Eradicating up to 30% energy waste by visualising and analysing energy use and consumption.

### Differentiator.

MY ZeERO is our proprietary smart metering and analytics platform, visualising energy consumption at asset level.

### Disruptor.

Provides customers live, behind the meter ('BTM') energy consumption data with AI driven automated insights for a monthly subscription.

### Bridge.

Between traditional energy procurement and delivering Net Zero through data insights and measurable savings.

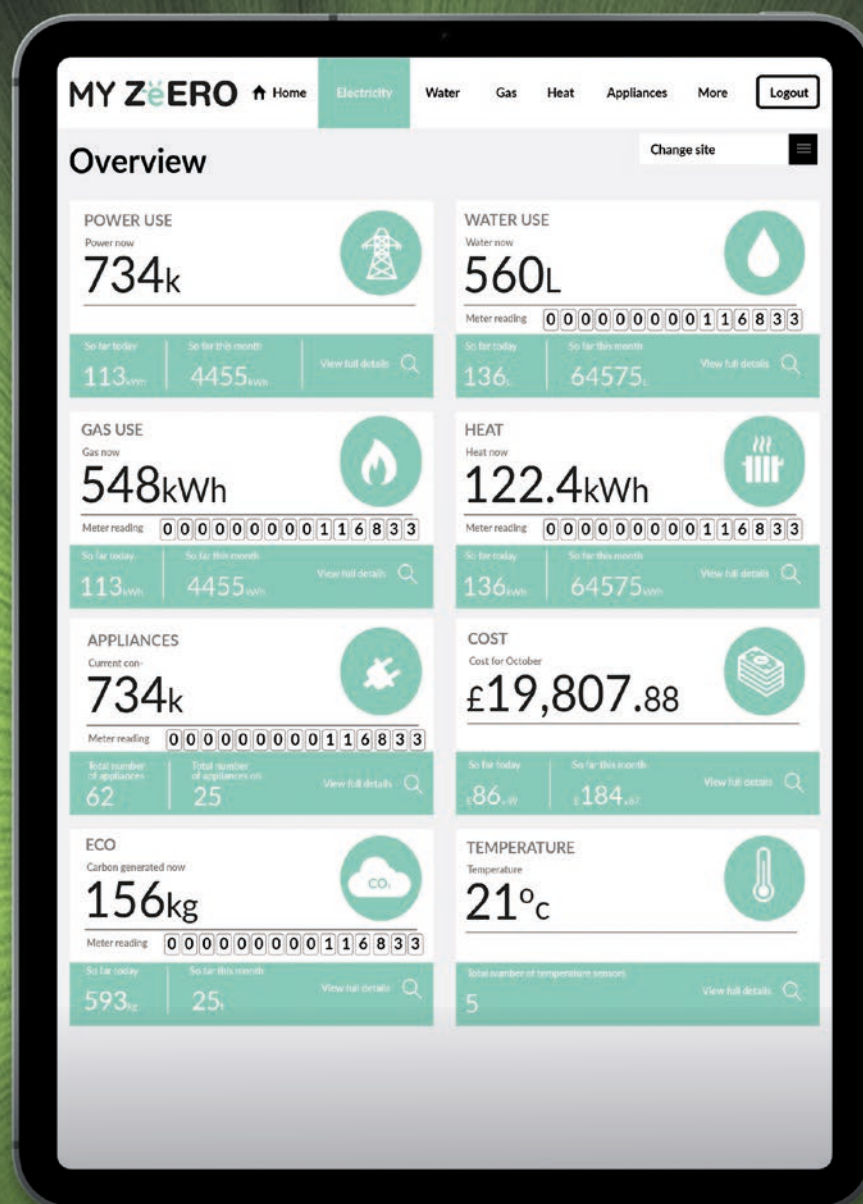
### Growth enabler.

Giving businesses visibility and insights on energy usage at the circuit and asset level to identify and act on energy wastage.



# Proprietary technology enabling disruptive growth.

Capturing real-time actionable energy data and insights, eliminating waste, unnecessary costs and carbon emissions.



**898<sup>1</sup>**

Total meters under contract.

**£542k<sup>1</sup>**

Contracted annualised revenues.

**£1.9m<sup>1</sup>**

Pipeline opportunities.

1. As of 30 June 2022.



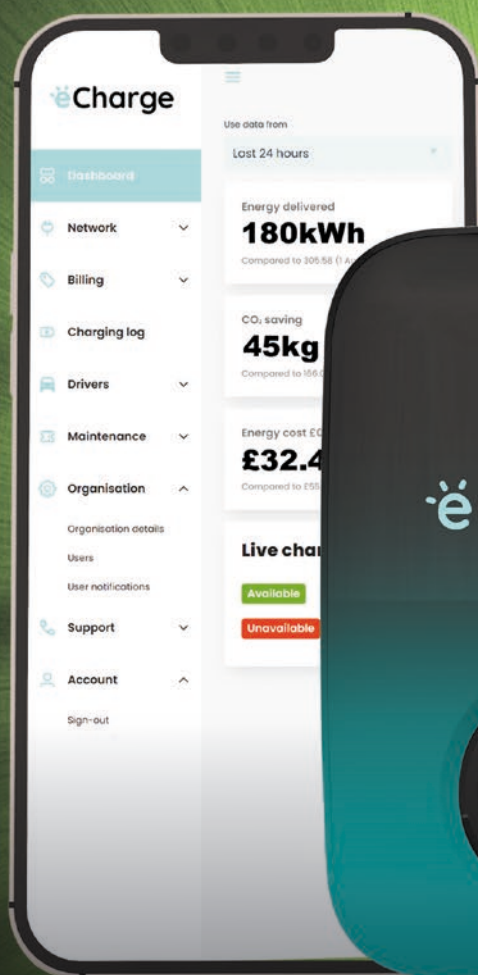
# Best-in-class OEM subscription based EV charging.

Rapidly deploying EV charging on a subscription based model, enabling organisations to meet the growing demand of their employees and customers.

## ëCharge

### Enabling.

- Capital free EV charging.
- Fleet charging.
- Subsidised employee charging.
- Monetisation of visitor parking.



Product launched in March 2022.

**64<sup>1</sup>**  
EV chargers  
under contract.

**£440k<sup>1</sup>**  
Total contract value.

**£6m+<sup>1</sup>**  
Pipeline opportunities.

1. As of 30 June 2022.



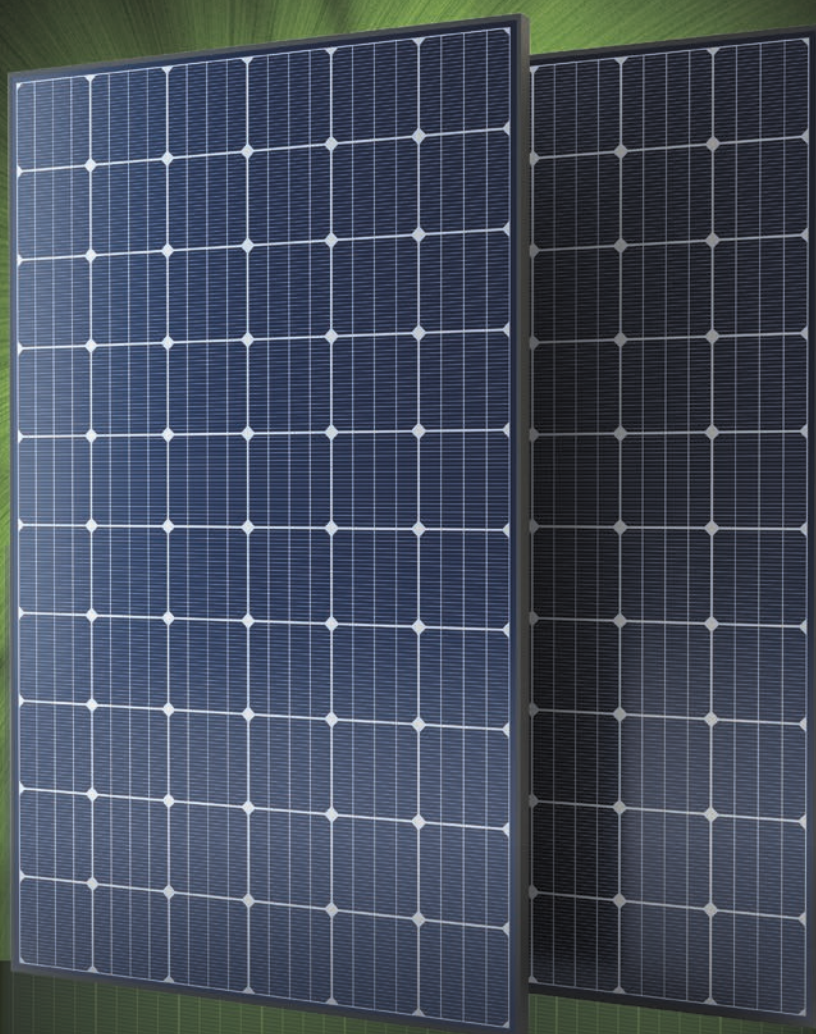
# Best-in-class OEM capital free on-site solar generation.

A highly attractive alternative to spiralling energy costs by adopting a capital free on-site solar solution.

## ·eSolar

### Enabling.

- Capital free on-site PV solar.
- Reduce energy costs by up to **50%**.
- Greater energy security.
- Reduced reliance on the grid.



Pre-launch in May 2022.

**7MWh<sup>1</sup>**

Under heads of terms with clients.

**£7m<sup>1</sup>**

Under heads of terms with clients.

**£5.9m<sup>1</sup>**

Net revenue pipeline opportunities.

# Achieving Net Zero.

## A fully integrated Energy Services provider, making Net Zero possible and profitable for our customers and delivering strong returns to our shareholders.

eEnergy's primary strategic vision is to offer customers a seamless, end-to-end solution to support their journey to Net Zero. To do so, we have built a range of products, both incubated organically and through acquisition, addressing the needs of both the supply-side (Access) and the demand-side (Measure, Reduce and Connect).

By offering a package capability we can present enhanced returns to customers over a single-platform solution, while we benefit from diversified and re-occurring revenue streams, generating multiple revenue opportunities with the same client over time as they make progress against their Net Zero objectives.

### There are four key drivers to our growth strategy:

1.

#### Organic growth

Continued growth in existing core products and markets, in particular the Education and Healthcare sectors.

Using focused marketing to expand into targeted new sectors such as Food/Distribution/Hospitality & Leisure/Public Sector and expanding our reach in the Public Sector.

Accelerating our growth in Energy Management as market conditions favour larger energy management providers with more advanced risk management capabilities.

2.

#### New revenue channels

Incubate new innovative service and product capabilities in adjacent areas, for example the recent commercial launches of MY ZeERO, eCharge and eSolar.

Develop alternative ways of monetising existing capabilities to drive competitive differentiation and improve barriers to entry.

3.

#### Leverage existing customer relationships

Leveraging our long-term, strategic relationships with Energy Management clients to open up demand reduction strategies and broader Energy Services.

Building recurring opportunities with existing customers by offering a broader range of products and services to support their Net Zero journey.

4.

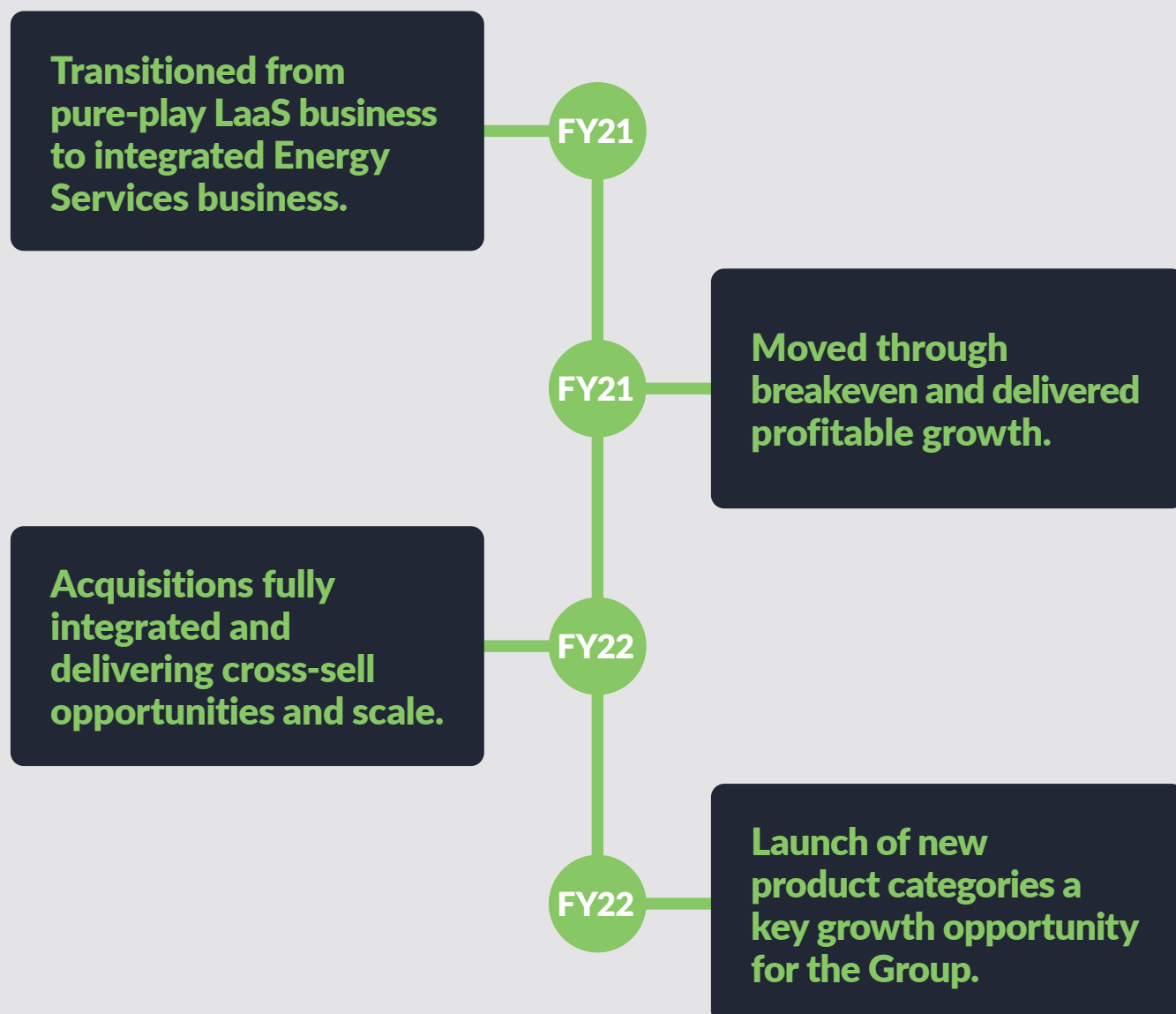
#### Potential to broaden capabilities through selective acquisitions

Disciplined approach to acquisition opportunities. Acquisitions of cash generative, established businesses will be considered in order to expand our product offer and/or improve our position in the value chain in adjacent or complementary areas.

**We will continue to strengthen our existing capabilities and expand our product and service offering, amplifying strong organic growth rates through selective acquisitions.**

In doing so, all of our stakeholders will benefit – investors, staff, management and society as a whole, as we help the UK to achieve its legislated target of Net Zero by 2050.

## A Group transformed





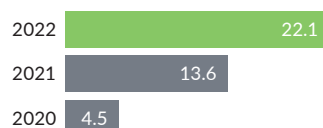
# Financial KPIs.

**We track a number of Key Performance Indicators to measure the financial performance of the business and monitor the future value opportunity.**

## Revenue £m

# £22.1m

+63% (2021: £13.6m)



- Up 63% year-on-year to £22.1m.
- Energy Management revenues of £11.6m (up 432% on FY21):
  - Acquisition of UtilityTeam part-way through the year drove a step-change in revenue in the business.
  - Enhanced by strong underlying growth, with revenues 20% higher than the pre-acquisition revenues of the combined businesses.
- Energy Services revenues of £10.5m (down 8% on FY21):
  - Disappointing H1 performance impacted by tail-end of Covid-related restrictions on origination volumes.
  - Challenging market conditions in Ireland where lockdowns were longer and deeper than the UK.
  - Strong UK sales performance in H2 drove record Q4 revenues and strong ongoing momentum into the current financial year.

## Forward Order Book £m

# £25.3m

+384% (2021: £5.2m)

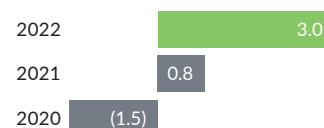


- Measures contracted future revenues across Energy Management and Energy Services.
- Up 384% year-on-year to £25.3m.
- Energy Management forward order book of £21.6m (up 373% on FY21):
  - Reflects expected levels of consumption under existing customer supply contracts.
  - Step-change following acquisition of UtilityTeam part-way through the year.
  - Enhanced by strong underlying growth, with forward order book value up 18% between December 2021 and June 2022.
  - Lower 'upfront' cash receipts mean the value of the cash forward order book is greater than revenue.
- Energy Services forward order book of £3.8m (up 458%).
- £12.7m expected to convert to revenue during FY23, including all of the Energy Services order book value.

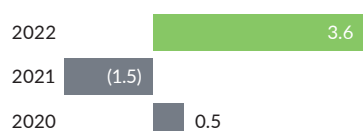
## Adjusted EBITDA £m

# £3.0m

+261% (2021: £0.8m)



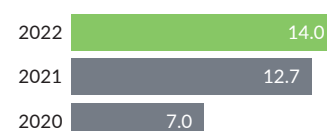
- Significant growth of 264% aided by mid-year acquisition of UtilityTeam.
- Operating Margin up 760bps to 13.7% reflecting higher margins in Energy Management and scale benefits across the Group.
- Level of Exceptional costs in the year reflected acquisition of UtilityTeam and significant investment in delivering the integration during the period.
- Key focus on conversion of Adjusted EBITDA to PBT going forward.

**Net Debt<sup>1</sup> £m****£3.6m****(2021: £(1.5)m Net Cash)**

- £5.2m deterioration in year as a result of a number of one-off items:
  - Exceptional costs of acquisition and integration driving 'cash' loss of £0.5m.
  - Capital investment in platform development (£1.4m cash impact).
  - Transition to longer payment cycles with key partners (£6.4m cash impact).
  - Mitigated by cash benefit from other working capital movements and net cash acquired with UtilityTeam (£3.2m cash benefit).
- Lower cash generated in period but with a strengthened growth outlook and higher contracted cash forward order book at the period end.
- Expecting recovery in revenue to cash conversion during FY23.
- Conversion of Adjusted EBITDA to Operating Cash Flow a key strategic focus for management.

**Loss Before Tax £m****£(2.2)m****(2021: £(0.2)m)**

- Loss in period largely driven by scale of Exceptional costs related to:
  - Acquisition of UtilityTeam.
  - Significant investment in delivering the integration during the period.
  - Strategic investments in launching new products.
- Key focus delivering robust PBT for FY23.

**Energy Services Sales (TCV) £m****£14.0m****+10% (2021: £12.7m)**

- 10% growth in year as a result of strong momentum building during H2:
  - H2 sales represented 69% of the full year total.
  - 63% increase over same period in FY21.
- Momentum continuing into FY23:
  - Strengthening conversion rates.
  - Building cross-sell through repeat customers and multi-product sales.
- Supports growth in contracted forward order book at the year-end.

1. Excluding lease liabilities and restricted cash.

# S172 statement.

**Section 172(1)(a) to (f) of the Companies Act 2006 requires Directors to take into consideration the interests of stakeholders in their decision making. We describe our values and who we consider to be our key stakeholders in the Corporate Governance Report. The Board is committed to engaging with all our key stakeholders as we believe that this is the best way to build sustainable value for the business. The Board of Directors of eEnergy considers both individually and together that it has acted in such a way that would be most likely to promote the success of the Company in the long term, taking into consideration the interests of all the stakeholders (investors, employees, customers, suppliers and local communities) as well as the wider society and environmental implications.**

## Strategy

Our business model is to provide Energy Management and Energy Services solutions that allow our clients to reduce their carbon footprint, release cash flow from their utility bills and improve the quality of their working environment. Our strategy is designed to deliver meaningful growth to the Group which in turn supports our employees, our supply chain partners and our shareholders as well as reducing the carbon footprint of our customers in the UK and Ireland. The strategic direction of the Group is reviewed annually, taking into account the threats and opportunities facing the business and the interests of stakeholders. The Group is committed to being a responsible business and our behaviour is aligned with the expectations of our people, clients, investors, communities and society as a whole.

## People

Our people are fundamental to the delivery of our strategy. For the Group to succeed we need to manage our people's performance and develop and bring through talent, while ensuring we operate as efficiently as possible. We aim to be a responsible employer in our approach to the pay and benefits our employees receive. The health, safety and wellbeing of our employees is one of our primary considerations in the way we conduct business. Promoting a culture of respect and equal opportunity is as important as ensuring the right skills fit for our business.

Engaged and committed employees are integral to our overall Group performance and the delivery of great customer service. We currently share information via email, Director presentations and meetings. Our relatively small size has meant that the Directors (including the Non-Executive Directors) have been able to meet periodically with all employees.

## Suppliers

We work closely with our supply chain network in the UK and Ireland and provide training to their staff. We train all installation partner staff in the eEnergy way, both on-site and at our Training Academy in Coventry. We work collaboratively with our key equipment suppliers to develop product suited to our key markets and to share with them our expectations for each coming quarter.

## Shareholders

The Board is committed to openly engaging with our shareholders. We recognise the importance of a continuing transparent dialogue, whether with major institutional investors or private or employee shareholders. It is important to us that shareholders understand our strategy and objectives, so seek to explain these clearly, listen to feedback and properly consider any issues or questions raised.

## Customers

We actively listen to our clients in order to understand their needs and priorities and evaluate how we can best achieve their objectives – whether it be maximising savings, reducing carbon emissions or optimising their teaching or workplace environment. We develop new product offerings and variations to enhance customers' experience of working with us and have adapted our contracts to suit the needs of different client segments.

## A responsible business

The Board of Directors aims to ensure that management operates the business in a responsible manner, to the high standards of conduct and good governance expected of a business such as ours. We believe that doing so will contribute to the delivery of our strategy and, consequently, the growth of the Group.

The Strategic Report on pages 1 to 29 was approved by the Board on 19 December 2022 and signed on its behalf by:

**Crispin Goldsmith**  
Company Secretary  
19 December 2022

# Corporate governance.

**The Directors recognise the importance of good corporate governance and have chosen to comply with the principles set out in the Quoted Companies Alliance Corporate Governance Code (the 'QCA Code'). For further information on how eEnergy applies the QCA Code, please see – <https://www.eenergy.com/investors>.**

The Board has established appropriately constituted Audit & Risk, Remuneration and Nomination Committees with formally delegated responsibilities.

## The Board of Directors

The Board of Directors currently comprises seven members, including two Executive Directors and five Non-Executive Directors. The Board has a wealth of experience in energy services, strategy and corporate finance. The structure of the Board ensures that no one individual or group dominates the decision-making process. Board meetings are held regularly, typically monthly and as required, to provide effective leadership and overall management of the Group's affairs through the schedule of matters reserved for Board decisions. This includes the approval of the budget and business plan, major capital expenditure, acquisitions and disposals, risk management policies and the approval of financial statements. All Directors have access to the advice and services of the Company's solicitors and the Company Secretary, who is responsible for ensuring that all Board procedures are followed. Any Director may take independent professional advice at the Company's expense in the furtherance of their duties.

The Company held nine board meetings between 1 July 2021 and 30 June 2022. Attendance was as follows:

|                                        | Attendance |
|----------------------------------------|------------|
| David Nicholl (Non-Executive Director) | 9 of 9     |
| Harvey Sinclair (Executive Director)   | 9 of 9     |
| Ric Williams (Executive Director)      | 9 of 9     |
| Nigel Burton (Non-Executive Director)  | 9 of 9     |
| Andrew Lawley (Non-Executive Director) | 9 of 9     |
| Derek Myers (Non-Executive Director)   | 9 of 9     |
| Gary Worby (Non-Executive Director)    | 9 of 9     |

## The Audit & Risk Committee ('ARC')

The ARC comprises Nigel Burton (as Chairman) and Andrew Lawley and meets no less than twice a year. The Committee is responsible for making recommendations to the Board on the appointment of the auditor and the audit fee and for ensuring that the financial performance of the Company is properly monitored and reported. In addition, the ARC receives and reviews reports from management and the auditor relating to the interim report, the annual report and accounts and the internal control systems of the Company. The ARC considers, manages and reports on the risks associated with the Company as well as ensuring the Company's compliance with the AIM Rules and the Market Abuse Regulations concerning disclosure of inside information.

## The Remuneration Committee

The Remuneration Committee comprises Nigel Burton (as Chairman), Gary Worby and David Nicholl and meets at least once each year. The Committee is responsible for the review and recommendation of the scale and structure of remuneration for senior management, including any bonus arrangements or the award of share options with due regard to the interests of the shareholders and the performance of the Company.

## The Nomination Committee

The Nomination Committee comprises David Nicholl (as Chairman) and Nigel Burton, and meets at least once each year. This Committee is responsible for reviewing the structure, size and composition of the Board based upon the skills, knowledge and experience required to ensure the Board operates effectively as well as being responsible for the annual evaluation of the performance of the Board and of individual Directors. The Nomination Committee is expected to meet when necessary to do so. The Nomination Committee also identifies and nominates suitable candidates to join the Board when vacancies arise and makes recommendations to the Board for the re-appointment of any Non-Executive Directors.

## Internal controls

The Directors acknowledge their responsibility for the Group's systems of internal controls and for reviewing their effectiveness. These internal controls are designed to safeguard the assets of the Group and to ensure the reliability of financial information for both internal use and external publication. Whilst the Directors acknowledge that no internal control system can provide absolute assurance against material misstatement or loss, they have reviewed the controls that are in place and are taking the appropriate action to ensure that the systems continue to develop in accordance with the growth of the Group.

## Relations with shareholders

The Board attaches great importance to maintaining good relations with its shareholders. Extensive information about the Group's activities is included in the annual report and accounts and interim reports, which are published on the Group's website and sent to those shareholders who have specifically requested to receive paper copies. Market sensitive information is regularly released to all shareholders concurrently in accordance with stock exchange rules. The Annual General Meeting provides an opportunity for all shareholders to communicate with and to question the Board on any aspect of the Group's activities. The Company maintains a corporate website where information on the Group is regularly updated and all announcements are posted as they are released. The Company welcomes communication from both its private and institutional shareholders.



## Environmental, social and governance ('ESG') continued

### MAR dealing code and policy document

The Company has in place a share dealing code for the Directors and staff which is appropriate for a company whose shares are admitted to trading on AIM and subject to the Market Abuse Regulations. The Company takes all reasonable steps to ensure compliance by the Directors, related parties and any relevant employees.

### The Group's core values are:

- to be a good corporate citizen, demonstrating integrity in each business and community in which we operate;
- to be open and honest in all our dealings, while respecting commercial and personal confidentiality;
- to be objective, consistent, and fair with all our stakeholders;
- to respect the dignity and wellbeing of all our stakeholders and all those with whom we are involved; and
- to operate professionally in a performance-orientated culture and be committed to continuous improvement.

### Our stakeholders

We are committed to developing mutually beneficial partnerships with our stakeholders throughout the life cycle of our activities and operations.

Our principal stakeholders include our shareholders; our employees and their families, and employee representatives; the communities in which we operate; our business partners; and local and national governments.

### Environmental policy

The Group is aware of the potential impact that its operations may have on the environment. It will ensure that all activities and operations have the minimum environmental impact possible.

The Group intends to meet or exceed international standards of excellence with regard to environmental matters. Our operations and activities will be in compliance with applicable laws and regulations. We will adopt and adhere to standards that are protective of both human health and the environment.

Each employee (including contractors) will be held accountable for ensuring that those employees, equipment, facilities and resources within their area of responsibility are managed to comply with this policy and to minimise environmental risk.

### Ethical policy

The Group is committed to complying with all laws, regulations, standards and international conventions which apply to our businesses and to our relationships with our stakeholders. Where laws and regulations are non-existent or inadequate, we will maintain the highest reasonable standards appropriate. We will in an accurate, timely and verifiable manner consistently disclose material information about the Group and its performance. This will be readily understandable by appropriate regulators, our stakeholders and the public.

The Group complies and will continue to comply fully with current and future anti-bribery legislation.

We will endeavour to ensure that no employee acts in a manner that would in any way contravene these principles. The Group will take the appropriate disciplinary action concerning any contravention.

### Community policy

The Group's aim is to have a positive impact on the people, cultures and communities in which it operates. It will be respectful of local people, their values, traditions, culture and the environment. The Group will also strive to ensure that surrounding communities are informed of, and where possible, involved in, developments which affect them, throughout the life cycle of our operations. It will undertake social investment initiatives in the areas of need where we can make a practical and meaningful contribution.

### Labour policy

The Group is committed to upholding fundamental human rights and, accordingly, we seek to ensure the implementation of fair employment practices. The Group will also commit to creating workplaces free of harassment and unfair discrimination.

### Health and safety policy

The Group is committed to complying with all relevant occupational health and safety laws, regulations and standards. In the absence thereof, standards reflecting best practice will be adopted.

# A pivotal year across the Group.



**Crispin Goldsmith**  
Chief Financial Officer

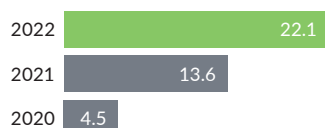
## Group key performance indicators

- Full year revenue of £22.1 million, 63% growth on FY21 revenue of £13.6 million.
- Adjusted EBITDA<sup>(1)</sup> of £3.0 million (FY21 £0.8 million).
- Profit before tax and exceptional items<sup>(2)</sup> of £1.6 million (FY21 £0.1 million).
- Cash balance (excluding restricted cash balances) at 30 June 2022 of £1.4 million (30 June 2021 – £3.3 million).
- Net Debt (including £0.8 million of IFRS 16 lease liabilities) at 30 June 2022 was £4.4 million (30 June 2021 – Net cash of £0.8 million, including £0.7 million of lease liabilities).

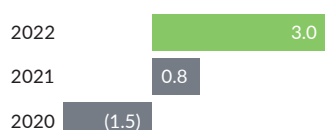
Note: (1) Adjusted EBITDA is EBITDA excluding Exceptional Items. Exceptional Items are those items which, in the opinion of the Directors, should be excluded in order to provide a consistent and comparable view of the underlying performance of the Group's ongoing business, including the costs incurred in delivering the 'Buy & Build' strategy associated with acquisitions and strategic investments, costs of restructuring and transforming acquired businesses and share-based payments.

Note: (2) Profit before tax and Exceptional Items includes within Exceptional Items brand impairment charges shown below EBITDA.

## Revenue £m



## Adjusted EBITDA £m



## Summary performance

FY22 was a year of significant progress for the Group, delivering revenues of £22.1 million (up 63% from £13.6 million in FY21) and Adjusted EBITDA of £3.0 million (up 264% from £0.8 million in FY21) in the face of unprecedented volatility in the energy markets.

Since coming to market in January 2020, eEnergy has completed four acquisitions including UtilityTeam, the Group's largest acquisition, which was completed in H1 FY22. These acquisitions have been complemented by organically developed new product opportunities to assemble a compelling and integrated customer proposition – helping organisations achieve Net Zero without the need for capital investment. eEnergy is now uniquely placed to support its customer base in their transition to Net Zero. And, with a backdrop of record energy prices, saving the customer significant cost while doing so.

Following the acquisition of UtilityTeam, FY22 saw rigorous focus on integrating the Group's people, products and operations. The benefits of this strategy are reflected in recent financial performance, with record Q4 revenues of £8.3 million and Adjusted EBITDA of £2.0 million, supported by the conversion of multi-product opportunities with new customers, the adoption of multiple new services by existing accounts and the benefits of scale efficiencies.

FY22 also saw substantial progress on balance sheet management, with an additional committed project funding facility with SUSI Partners AG and a successful refinancing of the Group's corporate debt facilities with Silicon Valley Bank both completed during H2 FY22. Both facilities have allowed eEnergy to benefit from increased access to funding at lower cost than previously.

The new corporate debt facility has facilitated improved balance sheet gearing, enabling deferred consideration from the acquisition of UtilityTeam and further investments in MY ZeERO to be funded through debt rather than equity. Net Debt excluding lease liabilities of £3.6 million at 30 June 2022 equated to 1.2x Adjusted EBITDA.

The Group ended the year well placed to deliver continued strong organic growth in FY23 with a Forward Order Book of £25.3 million (up from £18.3 million at 31 December 2021 and £5.2 million at 30 June 2021) and a strong pipeline of new business opportunities across both Energy Management and Energy Services expected to close early in FY23.



## Significant investment made in integrating the business into a single compelling platform.

### Summary performance continued

Net Debt increased by £5.2 million during the period as a result of investments made in our proprietary technology platforms and MY ZeERO eMeters, one-off costs of acquiring and integrating UtilityTeam, and the one-off impact of lengthened cash collection cycles in both Energy Management and Energy Services. Whilst this has led to reduced cash inflows in the short term, this will largely be offset going forward by increased cash flows from an enhanced contracted Forward Order Book.

Post year-end we announced an additional £2.5 million in debt funding into the business through a new subordinated debt facility in order to give the business the working capital headroom to continue to invest in growth, and benefit from the robust market tailwinds. We have also instigated a number of working capital initiatives to mitigate the Company's increased working capital requirement going forward, including progressing an off-balance sheet funding solution for MY ZeERO and diversifying supply chains.

### Divisional performance

#### Energy Services

FY22, whilst disappointing from a P&L perspective, was nevertheless a pivotal year for Energy Services. H1 was impacted by an interrupted origination pipeline as a result of the aftereffects of Covid-19-related lockdowns. However momentum built strongly through H2 as surging energy prices and a widespread acknowledgement, following the Russian invasion of Ukraine, that these higher energy prices represented a 'new normal'. These factors substantially enhanced the economic case for the energy service solutions offered by eEnergy.

Aided by these favourable macroeconomic tailwinds, and complemented by the launch of eSolar and eCharge products during the period, the business secured sales with Total Contract Value ("TCV") of £9.7 million in H2, 64% up on the same period last year (H2 FY21 £5.9 million). This drove a 10% increase in TCV secured for the full year to £14.0 million (up from £12.7 million in FY21).

Performance in the UK was particularly strong with TCV secured in H2 of £8.5 million, up 100% on the same period last year, and full year TCV secured up 35% at £12.1 million (representing 87% of the total for the division).

Revenue performance was more modest, reflecting the lag between signing contracts and recognising the revenue associated with them. Full year revenues were marginally down on the previous year at £10.5 million (FY21 £11.4 million) with Ireland, where lockdowns were harsher and lifted later than in the UK, accounting for 90% of the shortfall. However the strong sales performance was evident during H2 with revenues of £5.8 million up 14% on last year (H2 FY21 £5.1 million) and the business delivering record revenues in Q4.

The business ended the year with a contracted Forward Order Book of £3.8 million (June 2021: £0.1 million) giving strong coverage for Q1 FY23 revenues.

Gross Margin after commissions for the year of 34.2% was consistent with FY21.

Operating costs were allowed to increase by £0.1 million, in part reflecting investment in a new divisional leadership team which has been instrumental in driving the improved sales momentum during H2 2022.

### Energy Management

Likewise, FY22 was a year of significant change in Energy Management. The acquisition of UtilityTeam, completed in September 2021, established the Group as a Top 5 B2B energy company in the UK.

UtilityTeam contributed strategic relationships with an attractive customer base and a strong pool of talent which complemented eEnergy's existing capabilities and resources in Beond. The combined businesses have been operating as a single, integrated customer offering from February 2022.

Subsequent to the year-end, a new financial reporting platform has been launched for the combined entity.

Through the integration both employee and customer retention has remained strong. During the year 85% of customers were retained on renewal equating to a churn rate of only 6% per annum.

Financial performance for the combined business exceeded the targets set at the time of the acquisition. Energy Management revenues of £11.6 million for the full year were 432% up on FY21, reflecting the annualisation effect of the Beond acquisition (completed December 2020), the acquisition of UtilityTeam (completed September 2021), as well as strong organic growth in the business.

This organic growth is reflected in 18% growth in the contracted order book from £18.3 million at 31 December 2021 (after the acquisition of UtilityTeam) to £21.6 million at 30 June 2022.

Gross Margin increased by 770bps during the period to 80.7% reflecting improved management of the partnerships sales channel.

Operating costs were held flat as a percentage of revenues, reflecting investment of efficiency savings into growth and customer service delivery.

MY ZeERO, reported as part of the Energy Management division, successfully completed development of the next generation proprietary eMeter during the year with commercial launch during Q3 due to strong customer demand. By 30 June 2022, 898 meters with a TCV of £1.1 million were under contract with 559 of these installed.

### Accelerated through acquisitions

FY22 saw both the acquisition of UtilityTeam, our largest acquisition completed to date, and an increase in ownership to take control of eEnergy Insights (the holding company for MY ZeERO) through exercise of our warrants in October 2021 and subsequent acquisition of minority investor stakes in May 2022 to take our ownership to 85.5% at the year-end.

The acquisition of UtilityTeam transformed eEnergy into a Top 5 B2B energy company and has given the opportunity to unlock £0.5 million operating efficiencies through leveraging the Energy Management platform built since the acquisition of Beond in December 2020. UtilityTeam further brought embedded, strategic relationships with an attractive customer base and a strong pool of talent into the eEnergy Group.

### Integration completed

Subsequent to completing the acquisition of UtilityTeam, a significant investment was made in integrating the business into a single compelling platform with the key goals of:

- Optimising customer-facing activities (sales and account management).

- Sharing best practice capabilities.
- Unlocking platform synergies between the two legacy entities.

Key milestones delivered during the period included:

- Customer-facing teams merged from February with a single integrated sales platform.
- All clients migrated to eEnergy's proprietary reverse auction platform in March, with all auctions undertaken in the platform subsequently.
- Proprietary client portal launched to all auction customers in March.
- Annualised efficiency savings of £0.5 million realised, re-invested in growth and customer service delivery.

To mark completion of the integration, the business adopted the 'eEnergy' brand from 1 July 2022 with the legacy brands of Beond and UtilityTeam both being retired from that point.

Through the integration, both customer and employee retention has remained strong and financial performance for the combined business has exceeded the targets set at the time of the acquisition.

### Improved profitability

Growth in revenues has delivered significant scale benefits to the business. Adjusted EBITDA of £3.0 million represents a margin of 13.6% on revenue in FY22, up from 6.1% for FY21.

Profit before exceptional items, including impairment of acquired brand as part of the Energy Management integration, of £1.6 million was up 2,190% (FY21 £0.1 million).

These improvements were driven through scale efficiencies delivered in both the operating businesses and at Group level and an increased share of revenues from the higher margin Energy Management division (given annualisation of Beond performance and the mid-year acquisition of Beond).

### Cash flow and working capital

Net Bank Debt (excluding lease liabilities) of £3.6 million at 30 June 2022 was £5.2 million higher than at 30 June 2021 following investment and inventory build in MY ZeERO, the development of our proprietary technology platforms and the one-off costs of acquiring and integrating UtilityTeam. Gross cash was £1.4 million as at 30 June 2022, a decrease from £3.3 million at 30 June 2021.

After exceptional costs, and adjusting for certain non-cash items, the business delivered a "cash loss", reflecting reported earnings, rent, finance costs and effects of non-cash items, of £0.5 million for the year.

Further organic growth investments totalled £1.4 million, including £0.6 million in platform development and £0.8 million in eMeter stock-build.

Moreover, both Energy Management and Energy Services divisions have experienced lengthened cash collection cycles resulting in lower cash generated in the period, but a higher contracted cash forward order book at period end to be collected in the future.

In Energy Management, availability of 'upfront' payments from energy suppliers has been more restricted. This resulted in lower cash receipts from completed contract signings in the year, with a correspondingly richer cash collection profile over the life of the contract. The net impact of this has been to push a net £3.4 million of cash collections from FY22 into future periods. This was partially mitigated by £1.2 million of net cash acquired with Utility Team.

In Energy Services, the move to a new committed financing facility announced in April 2022 came with a need to 'batch fund' once a month (rather than on an ad hoc basis once each deal completes), adding an estimated c. 2.5 weeks to the cash collection cycle. Additionally, success in winning larger, more valuable projects has increased average installation times. A particularly strong revenue month in June, with cash therefore collected after the year-end, had a

net £1.6 million impact on cash collections in the period. In addition, c.£1.2 million of projects (including MY ZeERO) were held on the balance at the year-end, generating long-term recurring cash receipts beyond the period end. The overall impact was £3.0 million in working capital outflow.

This was mitigated by a £2.0 million net cash benefit from other working capital items in the period.

Cash at bank at 30 June 2022 of £1.4 million (excluding £0.4 million of restricted cash balances) was £1.9 million down on the year (30 June 2021 £3.3 million) as a result of these dynamics.

### Funding

In February the Group completed a re-financing of the Group's corporate debt facilities, consolidating previous facilities with Beach Point Capital, Lloyds and Coutts into a single Revolving Credit Facility with Silicon Valley Bank. The initial committed facility is for £5.0 million and there is the potential to extend this, subject to credit approval, to support growth investments and bolt-on acquisitions in the future.

On completion of the re-financing the new facility delivered a 270bps reduction in interest costs compared to the blended cost of the previous facilities.

In April we entered into a new €10.0 million committed project funding facility with SUSI Partners AG. This facility extended both the scope and the scale of the Group's existing financing arrangements with SUSI, who were already the Group's funding partner in Ireland. Importantly, the facility allows funding of eEnergy's range of energy efficiency and on-site generation technologies, enabling eEnergy to continue to create innovative, market leading, capital free solutions for its customers.

The Board believes it is important to maintain a robust level of cash headroom in the business to allow the business to continue to deliver on its growth objectives. As such, the Company has taken a number of working capital initiatives, in addition to trading initiatives detailed above, in order to mitigate the tightened working capital position experienced following the period end. The Company has made good progress in securing off-balance sheet funding for MY ZeERO eMeters from an existing funding partner, and the Directors expect this, once implemented, to release additional cash for the Company from existing completed and contracted projects. The Company is also planning a measured rollout of eMeters with a strategy of this being self-funded through third party financing, rather than through the Group's balance sheet, going forward. Further, the Company continues successfully to diversify its supply chains across the business as part of the Company's inflation mitigation strategy, with additional benefits expected for working capital.

In order to strengthen the balance sheet further given the extended cash collections cycles, MY ZeERO investment, payment of liabilities and general working capital, subsequent to the year-end we announced a £2.5 million new subordinated debt facility in order to give the business the cash headroom to continue to invest in growth and benefit from the robust market tailwinds. As at 31 October 2022, prior to drawdown on the new subordinated debt facility, the Company had a cash balance of £114k.

### Conclusion

FY22 has been a pivotal year for both the Group and the individual operating divisions. Successful completion of the integration of the two acquired Energy Management businesses, strong and accelerating customer engagement across multiple Group products and highly favourable market tailwinds mean the eEnergy Group ended the year with a strong platform to deliver continued rapid growth, both for the current year and into the future.

**Crispin Goldsmith**  
Chief Financial Officer  
19 December 2022



# Heavy weight growth and sector experience.



**R**  
**David Nicholl**  
Non-Executive Chairman

David is an internationally experienced and proven technology leader in industrial Internet of Things ('IIoT') energy management and connected lighting, who has led significant international businesses as Executive Vice President, Northern Europe of ABB's Electrification business division, President and CEO for Philips Lighting (UK and Ireland) and with Rockwell Automation (UK and Ireland) and Schneider Electric (Sweden and Romania). He is currently Chief Sales Officer and Member of the Executive Board for Tritium. David has an MBA and a degree in electronic engineering and physics.



**Harvey Sinclair**  
Chief Executive Officer

Harvey co-founded eLight and is a proven technology entrepreneur, who has achieved a number of successful exits of businesses over the last 15 years across a variety of different sectors: software, the internet, ecommerce and hospitality. In 2000, Harvey founded The Hot Group Plc ('THG'), which listed on AIM in 2002 and which he led on a successful consolidation of the online recruitment market, through a buy and build strategy, before leading the sale to Trinity Mirror in 2006. Harvey was Investment Director for Scottish Enterprise at Design LED between 2015 and 2019.



**Crispin Goldsmith**  
Chief Financial Officer

Crispin has over 20 years of experience in strategy, M&A and investments, and continues to be instrumental in developing and executing the eEnergy Group strategy. Crispin played a pivotal role in the acquisition of UtilityTeam and Beond Group's combined energy supply-side services, strengthening eEnergy Group as a Net Zero-as-a-Service partner. Previous roles include at Dixons Carphone, Duke Street, and Royal Bank Equity Finance (both private equity investment businesses) and PwC where he qualified as a Chartered Accountant.



**R A**  
**Dr Nigel Burton**  
Independent  
Non-Executive Director

Following over 14 years as an investment banker at leading City institutions including UBS Warburg and Deutsche Bank, including as the Managing Director responsible for the energy and utilities industries, Nigel spent 15 years as Chief Financial Officer or Chief Executive Officer of a number of private and public companies. In addition to the Company, Nigel is currently a Non-Executive Director of BlackRock Throgmorton plc and several AIM listed companies including DeepVerge plc and Location Sciences plc.



**A**  
**Andrew Lawley**  
 Non-Executive Director

Andrew is an experienced private equity investor and senior strategy leader specialising in supporting businesses through periods of significant scaling, transformation and M&A. Andrew is a qualified accountant and, after roles in corporate finance and corporate recovery, focused on private equity as a Managing Director of the RBS Special Opportunities Fund LLP. In 2012 Andrew joined Dixons Retail Group plc as Group Strategy Director to lead strategy and M&A. Andrew played a leading role in the merger with Carphone Warehouse plc, subsequently becoming Integration Director and interim CEO of the services division, as well as continuing to lead all strategy and M&A work for the enlarged group. Andrew is currently Executive Chairman of Hunter Boot Limited.



**Derek Myers**  
 Non-Executive Director

Derek joined eEnergy following the acquisition of Beond Group in December 2020. He was the controlling shareholder of Beond, having held senior management and board roles, including Managing Director and, from 2015, Chief Executive Officer. Previously, Derek was the Managing Director of iVentures Capital, an investment vehicle that raised funds to invest in and manage energy market businesses. Derek has previously worked as a Strategy Consultant at Accenture and Futures Trader at Macquarie Bank, trading, inter alia, energy products.



**R**  
**Gary Worby**  
 Independent  
 Non-Executive Director

Gary is a chartered engineer. He brings considerable strategic experience having worked in the energy and carbon sector and supports the Group Board as an Independent Non-Executive Director. His career has included a variety of executive leadership roles guiding businesses through organic growth and Pan-European expansion, acquisitions and trade sales. He was MD of EnergyQuote JHA, one of the largest energy consultants acquired by Accenture, and MD of Energy and Carbon Management, acquired by Inspired Energy plc, and currently operates as Executive Chairman for UDIntel.

#### Board skills

- Strategy
- General management
- High growth
- Mergers and acquisitions
- Business consulting
- Digital change
- Accounting
- Financing and capital markets
- Commodity trading
- Regulatory
- Health and safety

#### Committee key

- R** Remuneration Committee
- A** Audit Committee
- Committee Chair

## Directors' remuneration report

This report to shareholders for the period ended 30 June 2022 sets out the Group's remuneration policies. As the Company's shares are listed on the AIM market of the London Stock Exchange, the Company is required to report in accordance with the remuneration disclosure requirements of the AIM Rules. The Group is not required to prepare a Directors' Remuneration Report under Companies Act regulations and therefore this report may not contain all the information that would be included were the Group required to do so.

### Composition and role of the Remuneration Committee

Membership of the Remuneration Committee during the period consisted of the Non-Executive Directors, Nigel Burton (Chairman), David Nicholl and Gary Worby.

The Remuneration Committee oversees the remuneration policies and activities of the Group. The Committee met 5 times during the year ended 30 June 2022.

The Committee is responsible for the review and recommendation of the scale and structure of remuneration for senior management, including any bonus arrangements or the award of share options with due regard to the interests of the shareholders and the performance of the Company.

### Remuneration structure for Executive Directors

#### Overview

The Remuneration Committee is committed to maintaining high standards of corporate governance and has taken steps to comply with best practice insofar as it can be applied practically given the size of the Group and the nature of its operations.

#### Remuneration policy

The Committee aims to ensure that the total remuneration for the Executive Directors is soundly based, internally consistent, market competitive and aligned with the interests of shareholders. No Director takes part in decisions regarding their personal remuneration.

To design a balanced package for the Executive Directors and senior management, the Committee considers the individual's experience and the nature and complexity of their work in order to pay a competitive salary that attracts and retains management of the highest quality, while avoiding remunerating those Directors more than is necessary. The Committee also considers the link between the individual's remuneration package and the Group's long term performance aims.

### Basic salary

Salaries are benchmarked against businesses acting within the Energy Services market and comparable quoted companies. The review process is undertaken having regard to the development of the Group and the contribution that individuals will continue to make as well as the need to retain and motivate individuals.

### Performance-related pay

During FY22, the Chief Executive Officer and Chief Financial Officer could earn a cash bonus of up to 100% of their annual basic salary payable against meeting personal and business targets as set out by the Committee at the beginning of the period. Service contracts Each Executive Director has a service contract with the Group which contains details regarding remuneration, restrictions and disciplinary matters. Executive Directors are appointed by the Group on contracts terminable on no more than 12 months' notice.

The board believes it is important to align senior management to share price performance through an equity based long-term incentive plan (LTIP). There are two LTIP schemes operated by the company which are detailed in note 34, including details of awards made to Directors. Any awards under the schemes are subject to remuneration committee approval.

### Non-Executive Directors

The fees of the Chairman are determined by the Committee and the fees of the Non-Executive Directors by the Board following a recommendation from the Chairman. The Chairman and Non-Executive Directors are not involved in any discussions or decisions about their own remuneration. Included in the salary is an additional payment of £3,000 to each Committee Chair.

### Single figure disclosure table

The following table sets out the remuneration of the Company's Directors who served during the period from 1 July 2021 to 30 June 2022 that was received or receivable.

|                       | Salary<br>and fees<br>£'000 | Pension<br>and benefits<br>£'000 | Bonus<br>£'000 | <b>FY22<br/>Total<br/>£'000</b> | FY21<br>Total<br>Restated<br>£'000 |
|-----------------------|-----------------------------|----------------------------------|----------------|---------------------------------|------------------------------------|
| Harvey Sinclair – CEO | 260                         | 29                               | 50             | <b>339</b>                      | 382                                |
| Ric Williams – CFO    | 180                         | 5                                | —              | <b>185</b>                      | 307                                |
| David Nicholl – Chair | 58                          | 2                                | —              | <b>60</b>                       | 52                                 |
| Dr Nigel Burton – NED | 51                          | —                                | —              | <b>51</b>                       | 45                                 |
| Andrew Lawley – NED   | 45                          | —                                | —              | <b>45</b>                       | 39                                 |
| Derek Myers – NED     | 25                          | 1                                | —              | <b>26</b>                       | 13                                 |
| Gary Worby – NED      | 45                          | 1                                | —              | <b>46</b>                       | 21                                 |
|                       | <b>664</b>                  | <b>38</b>                        | <b>50</b>      | <b>752</b>                      | <b>859</b>                         |

In the prior year, bonuses disclosed related to amounts paid in FY21 relating to the FY20 performance period. The bonus amounts earned in the FY21 performance period were £127,000 for Harvey Sinclair and £103,000 for Ric Williams. These amounts were paid in October 2021. The FY21 prior year disclosure has been restated to reflect this. The current year disclosure of bonuses relate to amounts earned during the FY22 performance period and are payable after the year end.

The Remuneration Report was approved by the Board on 19 December 2022 and signed on its behalf by:

### Nigel Burton

Chairman of the Remuneration Committee

19 December 2022



## Group Directors' report

The Directors present their report and the audited financial statements for the period ended 30 June 2022.

eEnergy Group plc is incorporated in the United Kingdom and is the ultimate Parent Company of the eEnergy Group.

A summary of key future developments for the Company and Group are included, together with an overview of the business model, in the Strategic Report.

### Going concern

The Directors evaluate the application of the going concern basis having considered a sensitised trading and cash flow forecast for the Group for a period of not less than 12 months from the date that these financial statements are approved by the Board.

The Directors have concluded that it is appropriate to prepare these financial statements on the going concern basis.

### Dividends

The Directors do not recommend the payment of a dividend in respect of the current period (2021: £nil).

### Events since the balance sheet date

There have been no material events since the balance sheet date.

### Directors

The Directors of the Company during the year ended 30 June 2022 and subsequently were:

Mr David Nicholl (Chairman)

Dr Nigel Burton (Non-Executive Director)

Mr Andrew Lawley (Non-Executive Director)

Mr Derek Myers (Non-Executive Director)

Mr Harvey Sinclair (Chief Executive)

Mr Ric Williams (Chief Financial Officer)

Mr Gary Worby (Non-Executive Director)

On 3 May 2022 Ric Williams notified the Board of his intention to step down from the Board.

Crispin Goldsmith was appointed as a Director and Chief Financial Officer on 20 July 2022.

Ric Williams subsequently resigned from the Board with effect from 31 July 2022.

### Directors' indemnity

The Company has provided qualifying third-party indemnities for the benefit of its Directors. These were provided during the year and remain in force at the date of this report.

### Directors' interests

The Directors of the Company who held office during the year had the following beneficial interests in the shares of the Company at the period end:

|                 | 30 June 2022<br>Number<br>(thousands) | 30 June 2021<br>Number<br>(thousands) |
|-----------------|---------------------------------------|---------------------------------------|
| Nigel Burton    | 629                                   | 552                                   |
| Andrew Lawley   | 170                                   | 93                                    |
| Derek Myers     | 44,763                                | 44,683                                |
| David Nicholl   | 13,298                                | 13,221                                |
| Harvey Sinclair | 20,816                                | 20,739                                |
| Ric Williams    | 170                                   | 93                                    |
| Gary Worby      | 3,742                                 | 2,312                                 |
|                 | 83,588                                | 81,693                                |

The following Directors had also been granted EMI share options to acquire the shares of the Company:

### As at 30 June 2022

Number of options (thousands)

|                                         | Harvey Sinclair | Ric Williams |
|-----------------------------------------|-----------------|--------------|
| Exercisable at 6.12p until 30 June 2030 | 4,085           | 4,085        |
|                                         | 4,085           | 4,085        |

### As at 30 June 2021

Number of options (thousands)

|                                         | Harvey Sinclair | Ric Williams |
|-----------------------------------------|-----------------|--------------|
| Exercisable at 6.12p until 30 June 2030 | 4,085           | 4,085        |
|                                         | 4,085           | 4,085        |

The total number of share options held by the Directors at 30 June 2022 was 8,169,920 (30 June 2021 – 8,169,920).

In July 2020 the Company implemented the eEnergy Group Management Incentive Plan ('MIP'). The MIP includes the EMI share options described above. As at 30 June 2022 three Directors, Harvey Sinclair, David Nicholl and Andrew Lawley, participate in the MIP. The extent to which the MIP converts into new ordinary shares of the Company depends upon the total shareholder return generated over the MIP's measurement period but the maximum dilution to existing shareholders is capped at 9.4%. Details of the MIP are included in note 34 to the financial statements.

### Provision of information to the auditor

So far as each of the Directors is aware at the time this report is approved:

- there is no relevant audit information of which the Company's auditor is unaware; and
- the Directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

### Auditor

PKF Littlejohn LLP has signified its willingness to continue in office as auditor and a resolution to re-appoint them will be put to the Annual General Meeting.

This report was approved by the Board on 19 December 2022 and signed on its behalf.

**Crispin Goldsmith**  
Company Secretary  
19 December 2022

## Statement of Directors' responsibilities

The Directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the Group and Parent Company financial statements in accordance with UK-adopted international accounting standards. Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and Company and of the profit or loss of the Group for that period.

In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether they comply with UK-adopted international accounting standards, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Group and Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Group and Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of the financial statements may differ from legislation in other jurisdictions.

The Company is compliant with AIM Rule 26 regarding the Company's website.

## Independent auditor's report to the members of eEnergy Group plc

### Opinion

We have audited the financial statements of eEnergy Group plc (the 'parent company') and its subsidiaries (the 'group') for the year ended 30 June 2022 which comprise the Consolidated Statement of Comprehensive Income, the Consolidated and Company Statements of Financial Position, the Consolidated and Company Statements of Cash Flows, the Consolidated and Company Statements of Changes in Equity and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and UK-adopted international accounting standards and as regards the parent company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

In our opinion:

- the financial statements give a true and fair view of the state of the group's and of the parent company's affairs as at 30 June 2022 and of the group's loss for the year then ended;
- the group financial statements have been properly prepared in accordance with UK-adopted international accounting standards;
- the parent company financial statements have been properly prepared in accordance with UK-adopted international accounting standards and as applied in accordance with the provisions of the Companies Act 2006; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group and parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the directors' assessment of the group's and parent company's ability to continue to adopt the going concern basis of accounting included obtaining an understanding of the basis of preparation of Board approved budgets and cash flow forecasts for the period to 31 December 2023, assessing the accuracy of historic forecasts, testing the underlying assumptions and assessing management's sensitivity analysis on possible changes which could impact the available headroom, including loan covenant compliance. We also identified and tested events subsequent to the year-end date impacting upon going concern.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's or parent company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

### Our application of materiality

The scope of our audit was influenced by our application of materiality. We set certain quantitative thresholds for materiality. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures on the individual financial statement line items and disclosures and in evaluating the effect of misstatements, both individually and on the financial statements as a whole.

Based on our professional judgement, we determined materiality for the group financial statements as a whole to be £300,000 (2021: £148,000). This was calculated at the average of 2% of revenue and 5% of adjusted EBITDA, excluding exceptional items. Benchmarks of revenue and adjusted EBITDA have been selected as we consider these to be the most significant determinants of the group's performance for shareholders. The materiality benchmarks are unchanged from the prior year.

The parent company materiality was £167,000 (2021: £147,500) based upon 5% of the adjusted loss before tax excluding exceptional items in order to ensure adequate coverage of expenditure, being the main driver of results for the company.

Performance materiality is the application of materiality at the individual account or balance level set to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds materiality for the financial statements as a whole. Performance materiality for the group and parent company was set at 70% (2021: 70%) of overall materiality, equating to £210,000 and £117,000 respectively, based upon our assessment of the risk of misstatement through substantive testing and the incidence of errors detected in prior periods.

Component materiality for significant and/or material components of the group ranged from £101,000 to £23,000 (2021: £69,000 to £13,000).

We agreed with the Audit Committee that we would report to them all individual audit differences identified during the course of our audit in excess of £15,000 (2021: £7,400) for the group and £8,350 (2021 - £7,375) for the parent company.

## Our approach to the audit

In designing our audit, we determined materiality, as above, and assessed the risk of material misstatement in the group and parent company financial statements. In particular, we looked at where the directors made subjective judgements, for example in respect of significant accounting estimates. Further details are included in the Key audit matters section of our report. We also addressed the risk of management override of internal controls, including evaluating whether there was evidence of bias by the directors that represented a risk of material misstatement due to fraud.

The accounting records and financial statements of two material subsidiary undertakings were audited by a component auditor in Ireland under our instructions as group auditor in accordance with ISA (UK) 600, based upon component materiality and risk to the group.

## Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) we identified, including those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

| Key audit matter                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | How our scope addressed this matter                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
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| <p><b>Revenue recognition</b></p> <p>Under ISA (UK) 240 there is a rebuttable presumption that there is a risk of material misstatement in revenue recognition due to fraud.</p> <p>Revenue for the year ended 30 June 2022 amounted to £22,096,000 and details of the related judgements and estimates are disclosed in notes 2.12 and 2.22.</p> <p>The group has various revenue streams comprising Light as a Service ('LaaS'), energy management services, capital expenditure contracts and trading of energy credits. Each revenue stream has different contractual and performance obligations which in turn require separate revenue recognition policies and assumptions requiring judgement and estimation.</p> <p>The acquisition of the UtilityTeam Group during the year (subsequently renamed eEnergy Management Group) presents additional risk that the revenue from these entities, within the energy management sector of the business, has not been appropriately accounted for in accordance with IFRS 15 Revenue from Contracts with Customers.</p> <p>Finally, during the year revenue has been generated by a new subsidiary (formerly equity accounted associate) eEnergy Insights Limited, which provides specialist smart metering measurement equipment and analytics. There is a risk this revenue has not been appropriately accounted for in accordance with IFRS 15.</p> <p>Revenue recognition is therefore a key focus of our audit.</p> | <p>Our testing in this area included the following:</p> <ul style="list-style-type: none"> <li>• Updating and documenting (for new revenue streams) our understanding of the internal control environment in operation for the material income streams and undertaking a walk-through to ensure that the key controls within these systems have been operating in the period under audit;</li> <li>• Substantive transactional testing of income recognised in the financial statements, including deferred and accrued income balances recognised at the year-end;</li> <li>• Reviewing the audit working papers of the component auditor and discussing their work and findings with the audit partner and manager;</li> <li>• Reviewing post-year end receipts to ensure completeness of income recorded in the accounting period;</li> <li>• Testing revenue cut-off having regard to: performance obligations under the contract, installation, subcontractor and material costs (energy efficiency contracts) and the types of energy management contracts, including the existence of one or more performance obligations;</li> <li>• Reviewing revenue contracts to understand the substance of arrangements with finance partners and ensuring these are accounted for appropriately; and</li> <li>• Ensuring revenue is accounted for and disclosed in accordance with IFRS 15.</li> </ul> |

# Independent auditor's report to the members of eEnergy Group plc continued

## Key audit matters continued

| Key audit matter                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | How the scope of our audit responded to the key audit matter                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p><b>Acquisition accounting in accordance with IFRS 3 'Business Combinations'</b></p> <p>In September 2021, the group expanded its Energy Management division and acquired the UtilityTeam Group, a UK-based renewable energy consulting and smart procurement business.</p> <p>The transaction comprised of various elements of purchase consideration, including deferred and contingent consideration based on future adjusted EBITDA targets.</p> <p>Goodwill and other intangible assets arising during the year ended 30 June 2022 amounted to £19,944,000 and details of the related judgements and estimates are disclosed in notes 2.22 and 14.</p> <p>Management engaged an expert to prepare a Purchase Price Allocation report ('PPA'), detailing the calculation of goodwill together with the recognition of separately identifiable intangible assets in accordance with IFRS 3 and IFRS 13. The evaluation of the fair value of assets and liabilities at the acquisition date, together with the PPA exercise, involves judgement, assumptions and estimation.</p> <p>There is a risk that the valuation of the various assets and liabilities, as well as purchase consideration where judgement is required when valuing contingent elements, has not been calculated correctly and is therefore materially misstated.</p> <p>There is also a risk that the accounting entries have not been recorded appropriately in accordance with IFRS 3, and that the disclosures in the financial statements surrounding the acquisition are incomplete.</p> <p>Acquisition accounting for business combinations is therefore a key focus for our audit.</p> | <p>Our work in this area included:</p> <ul style="list-style-type: none"> <li>Obtaining and reviewing the final completion accounts at the acquisition date, and performing appropriate audit procedures on the opening balances and any fair value adjustments;</li> <li>Reviewing the key contractual terms of the Share Purchase Agreement;</li> <li>Review of, and providing challenge to, key assumptions and methods included within the PPA exercise by management and management's expert;</li> <li>Assessing the competence, capabilities and objectivity of the preparer of the PPA report;</li> <li>Substantively testing the cost of investment balances within the parent company's individual financial statements;</li> <li>Evaluating management's goodwill impairment review and assessing whether there are any indicators of impairment;</li> <li>Discussion with management on the basis for calculating the deferred and contingent elements of the purchase consideration and ensuring the rationale is in accordance with IFRS;</li> <li>Review of the disclosures made in the financial statements to ensure compliance with IFRS 3 and IFRS 13 Fair Value Measurement.</li> </ul> |

## Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the group and parent company financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

## Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.



### Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

### Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities, the directors are responsible for the preparation of the group and parent company financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the group and parent company financial statements, the directors are responsible for assessing the group and the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

### Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- We obtained an understanding of the group and parent company and the sector in which they operate to identify laws and regulations that could reasonably be expected to have a direct effect on the financial statements. We obtained our understanding in this regard through discussions with management, and application of cumulative audit knowledge and experience of the sector.
- We determined the principal laws and regulations relevant to the group and parent company in this regard to be those arising from IFRSs, the Companies Act 2006 and the AIM Rules.
- We designed our audit procedures to ensure the audit team considered whether there were any indications of non-compliance by the group and parent company with those laws and regulations. These procedures included, but were not limited to enquiries of management and review of legal / regulatory correspondence and legal ledger accounts.
- We also identified the risks of material misstatement of the financial statements due to fraud. We considered, in addition to the non-rebuttable presumption of a risk of fraud arising from management override of controls, that the estimates, judgements and assumptions applied by management regarding revenue recognition and the assessment of impairment of goodwill and intangible assets gave the greatest potential for management bias.
- As in all of our audits, we addressed the risk of fraud arising from management override of controls by performing audit procedures which included, but were not limited to: the testing of journals; reviewing accounting estimates for evidence of bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.
- We communicated the risk of non-compliance with laws and regulations, including fraud, to the component auditor who incorporated this into their testing, which was reviewed by the group audit team.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

## Independent auditor's report to the members of eEnergy Group plc continued

### Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone, other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

### David Thompson (Senior Statutory Auditor)

For and on behalf of PKF Littlejohn LLP

Statutory Auditor

15 Westferry Circus

Canary Wharf

London E14 4HD

Date: 19 December 2022

# Consolidated statement of comprehensive income

For the year to 30 June 2022

|                                                                                                    | Note | Year to<br>30 June<br>2022<br>£'000 | Period to<br>30 June<br>2021<br>£'000 |
|----------------------------------------------------------------------------------------------------|------|-------------------------------------|---------------------------------------|
| <b>Continuing operations</b>                                                                       |      |                                     |                                       |
| Revenue from contracts with customers                                                              | 5    | 22,096                              | 13,596                                |
| Cost of sales                                                                                      | 6    | (9,131)                             | (8,059)                               |
| <b>Gross profit</b>                                                                                |      | 12,965                              | 5,537                                 |
| Operating expenses                                                                                 | 7    | (12,233)                            | (4,955)                               |
| Included within operating expenses are:                                                            |      |                                     |                                       |
| Exceptional items                                                                                  | 7    | 2,289                               | 248                                   |
| Adjusted operating expenses                                                                        |      | (9,944)                             | (4,707)                               |
| <b>Adjusted earnings before interest, taxation, depreciation and amortisation</b>                  |      | 3,021                               | 830                                   |
| <b>Earnings before interest, taxation, depreciation and amortisation</b>                           |      | 732                                 | 582                                   |
| Depreciation, amortisation and impairment                                                          |      | (2,636)                             | (333)                                 |
| Finance costs – net                                                                                | 10   | (323)                               | (426)                                 |
| <b>Loss before tax</b>                                                                             |      | (2,227)                             | (177)                                 |
| Income tax                                                                                         | 11   | 736                                 | 205                                   |
| <b>(Loss)/profit for the year from continuing operations</b>                                       |      | (1,491)                             | 28                                    |
| <b>Attributable to:</b>                                                                            |      |                                     |                                       |
| Members of the parent entity                                                                       |      | (1,431)                             | 28                                    |
| Non-controlling interests                                                                          |      | (60)                                | –                                     |
|                                                                                                    |      | (1,491)                             | 28                                    |
| <b>Other comprehensive income – items that may be reclassified subsequently to profit and loss</b> |      |                                     |                                       |
| Change in the fair value of other current assets                                                   |      | –                                   | 34                                    |
| Translation of foreign operations                                                                  |      | (125)                               | 102                                   |
| <b>Total other comprehensive (loss)/profit</b>                                                     |      | (125)                               | 136                                   |
| <b>Total comprehensive (loss)/profit for the year</b>                                              |      | (1,616)                             | 164                                   |
| <b>Total comprehensive (loss)/profit for the year attributable to:</b>                             |      |                                     |                                       |
| Members of the parent entity                                                                       |      | (1,556)                             | 164                                   |
| Non-controlling interests                                                                          |      | (60)                                | –                                     |
|                                                                                                    |      | (1,616)                             | 164                                   |
| Basic and diluted (loss)/earnings per share from continuing operations (pence)                     | 12   | (0.44p)                             | 0.01p                                 |

The accompanying notes form part of the financial statements.

# Consolidated statement of financial position

As at 30 June 2022

|                                                            | Note | As at<br>30 June<br>2022<br>£'000 | As at<br>30 June<br>2021<br>Restated<br>£'000 |
|------------------------------------------------------------|------|-----------------------------------|-----------------------------------------------|
| <b>NON-CURRENT ASSETS</b>                                  |      |                                   |                                               |
| Property, plant and equipment                              | 13   | 458                               | 80                                            |
| Intangible assets                                          | 14   | 28,733                            | 10,503                                        |
| Right of use assets                                        | 21   | 777                               | 610                                           |
| Deferred tax asset                                         | 24   | 1,071                             | 415                                           |
| Investment in associate                                    | 15   | —                                 | 155                                           |
| <b>Total non-current assets</b>                            |      | <b>31,039</b>                     | <b>11,763</b>                                 |
| Inventories                                                | 17   | 809                               | 371                                           |
| Trade and other receivables                                | 18   | 16,022                            | 5,513                                         |
| Financial assets at fair value through profit or loss      | 26   | 21                                | 140                                           |
| Cash and cash equivalents                                  | 19   | 1,802                             | 3,332                                         |
| <b>Total current assets</b>                                |      | <b>18,654</b>                     | <b>9,356</b>                                  |
| <b>TOTAL ASSETS</b>                                        |      | <b>49,693</b>                     | <b>21,119</b>                                 |
| <b>NON-CURRENT LIABILITIES</b>                             |      |                                   |                                               |
| Lease liability                                            | 21   | 399                               | 434                                           |
| Borrowings                                                 | 22   | 5,011                             | 1,245                                         |
| Other liabilities                                          | 23   | 2,252                             | 468                                           |
| Deferred tax liability                                     | 24   | 1,318                             | 415                                           |
| Provision                                                  | 25   | 860                               | —                                             |
| <b>Total non-current liabilities</b>                       |      | <b>9,840</b>                      | <b>2,562</b>                                  |
| <b>CURRENT LIABILITIES</b>                                 |      |                                   |                                               |
| Trade and other payables                                   | 20   | 16,802                            | 7,819                                         |
| Lease liability                                            | 21   | 492                               | 264                                           |
| Borrowings                                                 | 22   | 11                                | 601                                           |
| <b>Total current liabilities</b>                           |      | <b>17,305</b>                     | <b>8,684</b>                                  |
| <b>TOTAL LIABILITIES</b>                                   |      | <b>27,145</b>                     | <b>11,246</b>                                 |
| <b>NET ASSETS</b>                                          |      | <b>22,548</b>                     | <b>9,873</b>                                  |
| <b>EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT</b>         |      |                                   |                                               |
| Issued share capital                                       | 27   | 16,373                            | 16,071                                        |
| Share premium                                              | 27   | 47,360                            | 33,014                                        |
| Other reserves                                             | 28   | 261                               | 601                                           |
| Reverse acquisition reserve                                | 28   | (35,246)                          | (35,246)                                      |
| Foreign currency translation reserve                       |      | (138)                             | (13)                                          |
| Accumulated losses                                         |      | (5,985)                           | (4,554)                                       |
| <b>Equity attributable to equity holders of the parent</b> |      | <b>22,625</b>                     | <b>9,873</b>                                  |
| Non-controlling interest                                   |      | (77)                              | —                                             |
| <b>TOTAL EQUITY</b>                                        |      | <b>22,548</b>                     | <b>9,873</b>                                  |

The accompanying notes form part of the financial statements.

These financial statements were approved by the Board of Directors and authorised for issue on 19 December 2022 and were signed on their behalf:

**Crispin Goldsmith**  
Chief Financial Officer  
Company number 05357433

# Company statement of financial position

As at 30 June 2022

|                                                    | Note | As at<br>30 June<br>2022<br>£'000 | As at<br>30 June<br>2021<br>£'000 |
|----------------------------------------------------|------|-----------------------------------|-----------------------------------|
| <b>NON-CURRENT ASSETS</b>                          |      |                                   |                                   |
| Property, plant and equipment                      | 13   | 28                                | —                                 |
| Intangible assets                                  | 14   | 34                                | 18                                |
| Right of use assets                                | 20   | 279                               | —                                 |
| Investment in associate                            | 21   | —                                 | 155                               |
| Investment in subsidiary                           | 16   | 6,574                             | 17,947                            |
| <b>Total non-current assets</b>                    |      | <b>6,915</b>                      | <b>18,120</b>                     |
| Loan to subsidiaries                               |      | 24,380                            | 579                               |
| Trade and other receivables                        | 18   | 863                               | 153                               |
| Cash and cash equivalents                          | 19   | 91                                | 1,187                             |
| <b>Total current assets</b>                        |      | <b>25,334</b>                     | <b>1,919</b>                      |
| <b>TOTAL ASSETS</b>                                |      | <b>32,249</b>                     | <b>20,039</b>                     |
| <b>NON-CURRENT LIABILITIES</b>                     |      |                                   |                                   |
| Deferred tax liability                             | 24   | —                                 | —                                 |
| Borrowings                                         | 22   | —                                 | —                                 |
| <b>Total non-current liabilities</b>               |      | <b>—</b>                          | <b>—</b>                          |
| <b>CURRENT LIABILITIES</b>                         |      |                                   |                                   |
| Trade and other payables                           | 20   | 2,114                             | 1,003                             |
| Lease liability                                    | 21   | 265                               | —                                 |
| Loans from subsidiaries                            |      | —                                 | 1,452                             |
| <b>Total current liabilities</b>                   |      | <b>2,379</b>                      | <b>2,455</b>                      |
| <b>TOTAL LIABILITIES</b>                           |      | <b>2,379</b>                      | <b>2,455</b>                      |
| <b>NET ASSETS</b>                                  |      | <b>29,870</b>                     | <b>17,584</b>                     |
| <b>EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT</b> |      |                                   |                                   |
| Issued share capital                               | 27   | 16,373                            | 16,071                            |
| Share premium                                      | 27   | 47,360                            | 33,014                            |
| Other reserves                                     | 28   | 1,087                             | 567                               |
| Accumulated losses                                 |      | (34,950)                          | (32,068)                          |
| <b>TOTAL EQUITY</b>                                |      | <b>29,870</b>                     | <b>17,584</b>                     |

The accompanying notes form part of the financial statements.

These financial statements were approved by the Board of Directors and authorised for issue on 19 December 2022 and were signed on their behalf:

**Crispin Goldsmith**  
Chief Financial Officer  
Company number 05357433



## Statements of cashflows

For the year ended 30 June 2022

|                                                               | Note | Group                               |                                     | Company                             |                                     |
|---------------------------------------------------------------|------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|
|                                                               |      | Year to<br>30 June<br>2022<br>£'000 | Year to<br>30 June<br>2021<br>£'000 | Year to<br>30 June<br>2022<br>£'000 | Year to<br>30 June<br>2021<br>£'000 |
| <b>Cash flow from operating activities</b>                    |      |                                     |                                     |                                     |                                     |
| Operating profit (loss) – continuing operations               |      | (1,491)                             | 28                                  | (2,882)                             | (1,507)                             |
| Adjustments for:                                              |      |                                     |                                     |                                     |                                     |
| Depreciation, amortisation and impairment                     |      | 2,636                               | 332                                 | 159                                 | —                                   |
| Finance cost (net)                                            |      | 264                                 | 376                                 | (24)                                | (3)                                 |
| Shares and warrants issue to settle expenses                  |      | —                                   | 486                                 | —                                   | 485                                 |
| Share based payments                                          |      | 520                                 | 301                                 | 520                                 | 301                                 |
| Share of loss in associate                                    |      | —                                   | 34                                  | —                                   | 34                                  |
| Foreign exchange movement                                     |      | —                                   | 33                                  | —                                   | —                                   |
| Gain on derecognition of contingent consideration             |      | (1,032)                             | (1,444)                             | (1,032)                             | (1,444)                             |
| Operating cashflow before working capital movements           |      | 897                                 | 146                                 | (3,259)                             | (2,134)                             |
| Increase in trade and other receivables                       |      | (9,857)                             | (2,406)                             | (706)                               | (127)                               |
| Increase/(decrease) in trade and other payables               |      | 165                                 | 2,761                               | (15)                                | 504                                 |
| (Increase) in inventories                                     |      | (95)                                | (23)                                | —                                   | —                                   |
| Increase/(decrease) in deferred income                        |      | 2,650                               | (264)                               | —                                   | —                                   |
| Net cash (outflow)/inflow from operating activities           |      | (6,240)                             | 214                                 | (3,980)                             | (1,757)                             |
| <b>Cash flow from investing activities</b>                    |      |                                     |                                     |                                     |                                     |
| Amounts received from (paid to) group undertakings            |      | —                                   | —                                   | (8,448)                             | 1,299                               |
| Acquisition of subsidiaries                                   |      | (11,081)                            | (2,395)                             | —                                   | (2,395)                             |
| Cash acquired on acquisition of subsidiaries                  |      | 4,007                               | 1,218                               | —                                   | —                                   |
| Cash from exercise of options in acquired business            |      | —                                   | 521                                 | —                                   | —                                   |
| Expenditure on intangible assets                              |      | (401)                               | (217)                               | (16)                                | (18)                                |
| Purchase of property, plant and equipment                     |      | (294)                               | (134)                               | (34)                                | —                                   |
| Net cash outflow from investing activities                    |      | (7,769)                             | (1,007)                             | (8,498)                             | (1,114)                             |
| <b>Cash flows from financing activities</b>                   |      |                                     |                                     |                                     |                                     |
| Interest (paid) received                                      |      | (188)                               | (319)                               | —                                   | —                                   |
| Repayment of lease liabilities                                |      | (347)                               | (163)                               | —                                   | —                                   |
| Proceeds from the issue of share capital, net of issue costs  |      | 11,382                              | 3,149                               | 11,382                              | 3,149                               |
| Proceeds from loans and borrowings                            |      | 4,891                               | 294                                 | —                                   | —                                   |
| Repayment of borrowings                                       |      | (3,287)                             | (314)                               | —                                   | —                                   |
| Net cash inflow from financing activities                     |      | 12,451                              | 2,647                               | 11,382                              | 3,149                               |
| <b>Net (decrease)/increase in cash &amp; cash equivalents</b> |      | (1,558)                             | 1,854                               | (1,096)                             | 278                                 |
| Effect of exchange rates on cash                              |      | 28                                  | —                                   | —                                   | —                                   |
| Cash & cash equivalents at the start of the period            |      | 3,332                               | 1,478                               | 1,187                               | 909                                 |
| <b>Cash &amp; cash equivalents at the end of the year</b>     | 18   | 1,802                               | 3,332                               | 91                                  | 1,187                               |

The accompanying notes form part of the financial statements.

The non cash consideration issued to acquire subsidiaries during the year was £3.0 million (2021: £9.0 million) and is disclosed for each acquisition in note 30.

Refer note 33 for net debt reconciliation.

## Consolidated statement of changes in equity

For the year ended 30 June 2022

|                                                                                      | Share<br>Capital<br>£'000 | Share<br>Premium<br>£'000 | Reverse<br>Acquisition<br>Reserve<br>£'000 | Other<br>Reserves<br>£'000 | Foreign<br>Currency<br>Reserve<br>£'000 | Accumulated<br>Losses<br>£'000 | Non-<br>controlling<br>interest<br>£'000 | Total<br>Equity<br>£'000 |
|--------------------------------------------------------------------------------------|---------------------------|---------------------------|--------------------------------------------|----------------------------|-----------------------------------------|--------------------------------|------------------------------------------|--------------------------|
| <b>Balance at 30 June 2020</b>                                                       | 15,725                    | 22,375                    | (35,246)                                   | 82                         | (115)                                   | (4,582)                        | —                                        | (1,761)                  |
| Other comprehensive loss                                                             | —                         | —                         | —                                          | —                          | 102                                     | —                              | —                                        | 102                      |
| Change in fair value of other current assets                                         | —                         | —                         | —                                          | 34                         | —                                       | —                              | —                                        | 34                       |
| Profit for the year                                                                  | —                         | —                         | —                                          | —                          | —                                       | 28                             | —                                        | 28                       |
| Total comprehensive profit for the year attributable to equity holders of the parent | —                         | —                         | —                                          | 34                         | 102                                     | 28                             | —                                        | 164                      |
| Issue of shares for cash                                                             | 96                        | 3,104                     | —                                          | —                          | —                                       | —                              | —                                        | 3,200                    |
| Issue of shares for acquisition of subsidiary                                        | 235                       | 7,299                     | —                                          | —                          | —                                       | —                              | —                                        | 7,534                    |
| Issue of shares in settlement of fees                                                | 9                         | 293                       | —                                          | —                          | —                                       | —                              | —                                        | 302                      |
| Share based payment                                                                  | —                         | —                         | —                                          | 485                        | —                                       | —                              | —                                        | 485                      |
| Exercise of warrants                                                                 | 6                         | 159                       | —                                          | —                          | —                                       | —                              | —                                        | 165                      |
| Cost of share issue                                                                  | —                         | (216)                     | —                                          | —                          | —                                       | —                              | —                                        | (216)                    |
| Total transactions with owners                                                       | 346                       | 10,639                    | —                                          | 485                        | —                                       | —                              | —                                        | 11,470                   |
| <b>Balance at 30 June 2021</b>                                                       | 16,071                    | 33,014                    | (35,246)                                   | 601                        | (13)                                    | (4,554)                        | —                                        | 9,873                    |
| Other comprehensive loss                                                             | —                         | —                         | —                                          | —                          | (125)                                   | —                              | —                                        | (125)                    |
| Loss for the year                                                                    | —                         | —                         | —                                          | —                          | —                                       | (1,431)                        | (60)                                     | (1,491)                  |
| Total comprehensive loss for the year attributable to equity holders of the parent   | —                         | —                         | —                                          | —                          | (125)                                   | (1,431)                        | (60)                                     | (1,616)                  |
| Issue of shares for cash                                                             | 240                       | 11,760                    | —                                          | —                          | —                                       | —                              | —                                        | 12,000                   |
| Issue of shares for acquisition of subsidiary                                        | 55                        | 2,903                     | —                                          | —                          | —                                       | —                              | —                                        | 2,958                    |
| Issue of shares in exchange for loan notes                                           | 7                         | 301                       | —                                          | —                          | —                                       | —                              | —                                        | 308                      |
| Acquisition of non-controlling interest                                              | —                         | —                         | —                                          | —                          | —                                       | —                              | (17)                                     | (17)                     |
| Acquisition of put option relating to non-controlling interests                      | —                         | —                         | —                                          | (3,921)                    | —                                       | —                              | —                                        | (3,921)                  |
| Utilisation on acquisition of non-controlling interests                              | —                         | —                         | —                                          | 3,061                      | —                                       | —                              | —                                        | 3,061                    |
| Share based payment                                                                  | —                         | —                         | —                                          | 520                        | —                                       | —                              | —                                        | 520                      |
| Cost of share issue                                                                  | —                         | (618)                     | —                                          | —                          | —                                       | —                              | —                                        | (618)                    |
| Total transactions with owners                                                       | 302                       | 14,346                    | —                                          | (340)                      | —                                       | —                              | (17)                                     | 14,291                   |
| <b>Balance at 30 June 2022</b>                                                       | <b>16,373</b>             | <b>47,360</b>             | <b>(35,246)</b>                            | <b>261</b>                 | <b>(138)</b>                            | <b>(5,985)</b>                 | <b>(77)</b>                              | <b>22,548</b>            |

The accompanying notes form part of the financial statements.

## Company statement of changes in equity

For the year ended 30 June 2022

|                                                                                    | Share<br>Capital<br>£'000 | Share<br>Premium<br>£'000 | Other<br>Reserves<br>£'000 | Accumulated<br>Losses<br>£'000 | Total<br>Equity<br>£'000 |
|------------------------------------------------------------------------------------|---------------------------|---------------------------|----------------------------|--------------------------------|--------------------------|
| <b>Balance at 30 June 2020</b>                                                     | 15,725                    | 22,375                    | 82                         | (30,561)                       | 7,621                    |
| Loss for the year                                                                  | —                         | —                         | —                          | (1,507)                        | (1,507)                  |
| Total comprehensive loss for the year attributable to equity holders of the parent | —                         | —                         | —                          | (1,507)                        | (1,507)                  |
| Issue of shares for cash                                                           | 96                        | 3,104                     | —                          | —                              | 3,200                    |
| Issue of shares for acquisition of subsidiary                                      | 235                       | 7,299                     | —                          | —                              | 7,534                    |
| Issue of shares in settlement of fees                                              | 9                         | 293                       | —                          | —                              | 302                      |
| Share based payment                                                                | —                         | —                         | 485                        | —                              | 485                      |
| Exercise of warrants                                                               | 6                         | 159                       | —                          | —                              | 165                      |
| Cost of share issue                                                                | —                         | (216)                     | —                          | —                              | (216)                    |
| Total transaction with owners                                                      | 346                       | 10,639                    | 485                        | —                              | 11,470                   |
| <b>Balance at 30 June 2021</b>                                                     | 16,071                    | 33,014                    | 567                        | (32,068)                       | 17,584                   |
| Loss for the year                                                                  | —                         | —                         | —                          | (2,882)                        | (2,882)                  |
| Total comprehensive loss for the year attributable to equity holders of the parent | —                         | —                         | —                          | (2,882)                        | (2,882)                  |
| Issue of shares for cash                                                           | 240                       | 11,760                    | —                          | —                              | 12,000                   |
| Issue of shares for acquisition of subsidiary                                      | 55                        | 2,903                     | —                          | —                              | 2,958                    |
| Issue of shares in exchange for loan notes                                         | 7                         | 301                       | —                          | —                              | 308                      |
| Share based payment                                                                | —                         | —                         | 520                        | —                              | 520                      |
| Cost of share issue                                                                | —                         | (618)                     | —                          | —                              | (618)                    |
| Total transaction with owners                                                      | 302                       | 14,346                    | 520                        | —                              | 15,168                   |
| <b>Balance at 30 June 2022</b>                                                     | <b>16,373</b>             | <b>47,360</b>             | <b>1,087</b>               | <b>(34,950)</b>                | <b>29,870</b>            |

The accompanying notes form part of the financial statements.

# Notes to the financial information

For the year ended 30 June 2022

## 1 General information

eEnergy Group plc (the "Company") is a public limited company with its shares traded on the AIM Market of the London Stock Exchange. eEnergy Group plc is a holding company of a group of companies (the "Group"). eEnergy is a digital energy services company, empowering organisations to achieve Net Zero by tackling energy waste and transitioning to clean energy, without the need for upfront investment. It is making Net Zero possible and profitable for all organisations in four ways:

- Transition to the lowest cost clean energy through our digital procurement platform and Energy Management services.
- Tackle energy waste with granular data and insight on energy use and dynamic Energy Management.
- Reduce energy use with the right energy efficiency solutions without upfront cost.
- Reach Net Zero with on-site renewable generation and electric vehicle (EV) charging.

The Company is incorporated and domiciled in England and Wales with its registered office at 20 St Thomas Street, London, England, SE1 9RS. The Company's registered number is 05357433.

## 2 Accounting policies

IAS 8 requires that management shall use its judgement in developing and applying accounting policies that result in information which is relevant to the economic decision-making needs of users, that are reliable, free from bias, prudent, complete and represent faithfully the financial position, financial performance and cash flows of the entity.

### 2.1 Basis of preparation

The financial statements have been prepared in accordance with UK adopted international accounting standards ("UK IFRS") and with the requirements of the Companies Act 2006.

The financial statements have been prepared under the historical cost convention as modified by financial assets and liabilities at fair value through profit or loss and other comprehensive income, and the recognition of net assets acquired under the reverse acquisition at fair value.

The preparation of financial statements in conformity with UK IFRS requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts in the financial statements. The areas involving a higher degree of judgement or complexity, or areas where assumptions or estimates are significant to the financial statements, are disclosed in note 2.23.

The financial statements present the results for the Group and Company for the year ended 30 June 2022. The comparative period is for the year ended 30 June 2021.

The principal accounting policies are set out below and have, unless otherwise stated, been applied consistently in the financial statements. The consolidated financial statements are prepared in Pounds Sterling, which is the Group's functional and presentation currency, and presented to the nearest £'000.

### 2.2 New standards, amendments and interpretations

The Group and Company have adopted all of the new and amended standards and interpretations issued by the International Accounting Standards Board that are relevant to its operations and effective for accounting periods commencing on or after 1 July 2021.

No standards or Interpretations that came into effect for the first time for the financial year beginning 1 July 2021 have had an impact on the Group or Company.

### 2.3 New standards and interpretations not yet adopted

At the date of approval of these financial statements, the following standards and interpretations which have not been applied in these financial statements were in issue but not yet effective (and in some cases have not yet been adopted by the UK):

| Standard            | Impact on initial application                           | Effective date |
|---------------------|---------------------------------------------------------|----------------|
| Annual Improvements | 2018–2020 Cycle                                         | 1 January 2023 |
| IFRS 17             | Insurance Contracts                                     | 1 January 2023 |
| IAS 1               | Classification of liabilities as Current or Non-current | 1 January 2023 |
| IAS 8               | Accounting estimates                                    | 1 January 2023 |
| IAS 12              | Deferred tax arising from a single transaction          | 1 January 2023 |

The effect of these new and amended Standards and Interpretations which are in issue but not yet mandatorily effective is not expected to be material.

### 2.4 Going concern

The financial information has been prepared on a going concern basis, which assumes that the Group and Company will continue in operational existence 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 the terms and covenants of its loan facility over the going concern period, being at least 12 months from the date of approval of the financial statements. The Directors have also taken into account the expected ability of the Group to raise additional equity or debt capital if required.

The directors note that the macroeconomic and geo-political environment have become less stable during the period. Increasing energy prices reinforce the importance of reducing consumption, and the directors therefore believe the business is well placed to continue to deliver strong growth despite this backdrop. However the directors note the environment does create heightened risk and uncertainties, including from inflationary pressures.

## Notes to the financial information continued

For the year ended 30 June 2022

### 2 Accounting policies continued

#### 2.4 Going concern continued

The Group has prepared budgets and cash flow forecasts covering the going concern period which have been stress tested for the negative impact of possible scenarios. The Group has identified additional working capital funding requirements and has secured a new £2.5 million subordinated loan facility to improve working capital headroom. £2.0m of this is unconditional with the balance subject to shareholders approving additional capacity to issue warrants attaching to the subordinated loan facility.

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

#### 2.5 Basis of consolidation

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of acquiree's identifiable net assets.

Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised either in profit or loss or as a change to other comprehensive income. Contingent consideration that is classified as equity is not re-measured, and its subsequent settlement is accounted for within equity.

Acquisition-related costs are expensed as incurred. Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated.

Those subsidiary entities of the company which are incorporated in England and Wales, listed in note 40, are exempt from the requirements of the Companies Act 2006 (CA 2006) related to the audit of individual accounts by virtue of section 479A CA 2006.

#### 2.6 Associates

An associate is an undertaking in which the Group holds an equity investment and where the Group exercises significant influence over the operational and financial management of the undertaking, but not control. Associates are included in the financial statements and accounted for using the equity method. Under the equity method, the investment is initially recognised at cost, and the carrying amount is increased or decreased to recognise the investor's share of the profit or loss of the investee after the date of acquisition. The Group's investment in associates includes goodwill identified on acquisition.

#### 2.7 Foreign currency translation

##### (i) Functional and presentation currency

Items included in the individual financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in £ Sterling, which is the Company's presentation and functional currency. The individual financial statements of each of the Company's wholly owned subsidiaries are prepared in the currency of the primary economic environment in which it operates (its functional currency). IAS 21 The Effects of Changes in Foreign Exchange Rates requires that assets and liabilities be translated using the exchange rate at period end, and income, expenses and cash flow items are translated using the rate that approximates the exchange rates at the dates of the transactions (i.e. the average rate for the period).

##### (ii) Transactions and balances

Transactions denominated in a foreign currency are translated into the functional currency at the exchange rate at the date of the transaction. Assets and liabilities in foreign currencies are translated to the functional currency at rates of exchange ruling at the balance sheet date. Gains or losses arising from settlement of transactions and from translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement for the period.

##### (iii) Group companies

The results and financial position of all the Group entities that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each balance sheet presented are translated at the closing rate at the date of the balance sheet;
- income and expenses for each income statement are translated at the average exchange rate; and
- all resulting exchange differences are recognised as a separate component of equity.

On consolidation, exchange differences arising from the translation of the net investment in foreign operations are taken to shareholders' equity. When a foreign operation is partially disposed or sold, exchange differences that were recorded in equity are recognised in the income statement as part of the gain or loss on sale.

#### 2.8 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision makers. The chief operating decision maker, who are responsible for allocating resources and assessing performance of the operating segments, has been identified as the executive Board of Directors.



## 2 Accounting policies *continued*

### 2.9 Impairment of non-financial assets

Non-financial assets and intangible assets not subject to amortisation are tested annually for impairment at each reporting date and whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment review is based on discounted future cash flows. If the expected discounted future cash flow from the use of the assets and their eventual disposal is less than the carrying amount of the assets, an impairment loss is recognised in profit or loss and not subsequently reversed.

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are largely independent cash flows (cash generating units or 'CGUs').

### 2.10 Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand, and demand deposits with banks and other financial institutions and bank overdrafts.

### 2.11 Financial instruments

IFRS 9 requires an entity to address the classification, measurement and recognition of financial assets and liabilities.

#### a) Classification

The Group classifies its financial assets in the following measurement categories:

- those to be measured at amortised cost; and
- those to be measured subsequently at fair value through profit or loss.

The classification depends on the Group's business model for managing the financial assets and the contractual terms of the cash flows.

The Group classifies financial assets as at amortised cost only if both of the following criteria are met:

- the asset is held within a business model whose objective is to collect contractual cash flows; and
- the contractual terms give rise to cash flows that are solely payment of principal and interest.

#### b) Recognition

Purchases and sales of financial assets are recognised on trade date (that is, the date on which the Group commits to purchase or sell the asset). Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

#### c) Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset.

Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

The Group classifies energy credits as FVPL assets. Information about the method used in determining fair value is provided in note 25.

#### Debt instruments

Debt instruments are recorded at amortised cost: Assets that are held for collection of contractual cash flows, where those cash flows represent solely payments of principal and interest, are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses) together with foreign exchange gains and losses.

#### d) Impairment

The Group assesses, on a forward looking basis, the expected credit losses associated with any debt instruments carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. For trade receivables, the Group applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables. Impairment losses are presented as a separate line item in the statement of profit or loss.

### 2.12 Revenue recognition

Under IFRS 15, Revenue from Contracts with Customers, five key points to recognise revenue have been assessed:

Step 1: Identity the contract(s) with a customer;

Step 2: Identity the performance obligations in the contract;

Step 3: Determine the transaction price;

Step 4: Allocate the transaction price to the performance obligations in the contract; and

Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation.

The Group recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity, and specific criteria have been met for each of the Group's activities, as described below.

The Group bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement. Where the Group makes sales relating to a future financial period, these are deferred and recognised under 'accrued expenses and deferred income' on the Statement of Financial Position.

The Group derives revenue from the transfer of goods and services overtime and at a point in time in the major product and service lines detailed below.

## Notes to the financial information continued

For the year ended 30 June 2022

### 2 Accounting policies continued

#### 2.12 Revenue recognition continued

##### Energy Services

Revenues from external customers come from the provision of Energy Services (Energy Efficiency solutions, PV generation and EV charging capability) which will typically include the provision of technology at the outset of the contract and then an additional ongoing service over the term of the contract. The Group may assign the majority or all of its right and obligations under a client agreement to a Finance Partner but that assignment does not change the recognition of revenue under the contract.

##### a) As a Service

The Group will undertake to install technology which either delivers energy savings, generates energy or provides a service proposition to customers over the term of a contract, typically between 5–10 years. The Group will design the solution to deliver the desired outcomes over the contract term, source and then install that technology. Once the installation has been accepted the customer will make payments monthly or quarterly over the contract term. The installation of the technology by the Company is typically considered to be the principal performance obligation.

Included within the agreement is an undertaking to ensure that the agreed outcomes are delivered and this may require the repair or replacement of faulty products. Where this performance obligation is not a material element of the client agreement revenue is not separately recognised and an accrual for the expected future costs is recognised as part of the cost of sale pro rata to the aggregate revenue that is recognised. Where this performance obligation is material the revenue is recognised rateably over the term of the contract as the performance obligation is satisfied.

##### b) Supply and installation of equipment

The Group will supply and install equipment for customers. Payment of the transaction price is typically due in instalments between the customer order and the installation being accepted or upon installation acceptance. Revenue is recognised as installations are completed.

##### c) Energy credits

From time to time the Group will receive consideration for both LaaS and supply & install contracts in Ireland in the form of energy credits. Energy credits are financial assets that are valued at fair value through profit or loss and their initial estimated value is included as part of the transaction price recognised as revenue. Energy credits are validated by the SEAI (the Irish regulator) and once validated are transferred to an undertaking that needs those energy credits, typically a power generation company. Any changes in the fair value of the energy credits between initial recognition and their realisation for cash are recorded as other gains or losses.

##### Energy Management

Revenue is comprised of fees received from customers or commissions received from energy suppliers, net of value-added tax, for the review, analysis and negotiation of gas and electricity contracts on behalf of clients in the UK.

To the extent that invoices are raised in a different pattern from the revenue recognition policy described below, entries are made to record deferred or accrued revenue to account for the revenue when the performance obligations have been satisfied.

All of the Group's Energy Management clients receive Procurement Services and many also receive Risk management, consulting and advisory services (together "Management Services"). These services will often be combined into a single contract but the Group separately identifies the relevant procurement obligations and recognises revenue when the relevant performance obligations have been satisfied. Revenue is recognised for each of these as follows:

##### a) Procurement services

Procurement revenue arises when the Group provides services that lead to the client entering into a contract with an energy supplier. The Group typically receives a commission from the energy supplier based upon the amount of energy consumed by the client over the life of the contract. As the services provided by the company are completed up to the point that the contract is signed between the client and the energy supplier the performance obligation is considered to be satisfied at that point and the revenue is recognised then. Contract signature may be considerably in advance of the date at which the supply contract will commence. The total amount of revenue recognised is based upon applying the historical energy consumption of the client to estimate the expected energy consumption over the term of the contract with the energy supplier. This revenue is then limited by an allowance for actual consumption to be lower than originally estimated and an allowance for the contract term not being completed. The balance of revenue not recognised at the point the energy supply contract is signed is recognised over the life of the contract in line with the client's actual consumption.

##### b) Energy Management services

As well as Procurement services the Group provides clients with a range of risk management, consulting and advisory services which include Bill Validation, Cost recovery, compliance services, ongoing market intelligence, ongoing account management and the development of hedging strategies. These services are typically provided evenly over the term of the contract and are therefore recognised rateably over the contract life.

##### Client segmentation

The Group's Energy Management clients are segmented into four categories based upon the balance of services they contract to receive from the Group. These categories are:

|             |                                                                                                                                                 |
|-------------|-------------------------------------------------------------------------------------------------------------------------------------------------|
| SME:        | Small & Medium enterprise clients who typically only take procurement services                                                                  |
| Fixed:      | Clients who typically take fixed procurement contracts with a limited range of management services                                              |
| Fixed Plus: | Clients who take a wider range of management services, including Bill Validation and/or Budget Management reporting                             |
| Flex:       | Clients who typically procure using a flex model with regular retrading of the procurement contract and more advanced risk management services. |
| Managed:    | Clients who take one or more of the services above that have integrated EEaaS services (i.e. LaaS, MY ZeERO etc).                               |

The overall proportion of revenue attributed by management to Procurement Services and recognised at the point the energy supply contract is signed ranges from 70% of the total expected contract value for SME to 17% for Flex and the average recognised across the portfolio for FY22 was 23%.

## 2 Accounting policies continued

### 2.12 Revenue recognition continued

#### Energy Management continued

##### b) Energy Management services continued

###### Cost of sales

Cost of sales represents internal or external commissions paid in respect of sales made. The Cost of sale is matched to the revenue recognised so for Procurement Services is recognised at the time the contract is signed and for Management Services rateably over the contract term. To the extent the pattern of payment for these commissions is different from the costs being recognised accruals or prepayments are recorded in the balance sheet.

###### Other

##### a) Management services

The Group provides management services to customers and certain other parties under fixed fee arrangements. Efforts to satisfy the performance obligation are expended evenly throughout the performance period and so the performance obligation is considered to be satisfied evenly over time and accordingly the revenue is recognised evenly over time.

### 2.13 Share based payments

The cost of equity-settled transactions with employees is measured by reference to the fair value of the equity instruments granted at the date at which they are granted and is recognised as an expense over the vesting period, which ends on the date on which the relevant employees become fully entitled to the award. In valuing equity-settled transactions, no account is taken of any vesting conditions, other than conditions linked to the price of the shares of a group company (market conditions) and non-vesting conditions. No expense is recognised for awards that do not ultimately vest, except for awards where vesting is conditional upon a market or non-vesting condition, which are treated as vesting irrespective of whether or not the market or non-vesting condition is satisfied, provided that all other vesting conditions are satisfied. At each balance sheet date before vesting, the cumulative expense is calculated, representing the extent to which the vesting period has expired and management's best estimate of the achievement or otherwise of non-market conditions and of the number of equity instruments that will ultimately vest or in the case of an instrument subject to a market condition, be treated as vesting as described above. The movement in cumulative expense since the previous balance sheet date is recognised in the income statement, with a corresponding entry in equity.

Where the terms of an equity-settled award are modified, or a new award is designated as replacing a cancelled or settled award, the cost based on the original award terms continues to be recognised over the original vesting period. In addition, an expense is recognised over the remainder of the new vesting period for the incremental fair value of any modification, based on the difference between the fair value of the original award and the fair value of the modified award, both as measured on the date of the modification. No reduction is recognised if this difference is negative. Where an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any cost not yet recognised in the profit and loss account for the award is expensed immediately. Any compensation paid up to the fair value of the award at the cancellation or settlement date is deducted from equity, with any excess over fair value expensed in the profit and loss account.

### 2.14 Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses.

When the Group acquires any plant and equipment it is stated in the financial statements at its cost of acquisition.

Depreciation is charged to write off the cost less estimated residual value of Property, plant and equipment on a straight line basis over their estimated useful lives which are:

- Plant and equipment 4 years
- Computer equipment 4 years

Estimated useful lives and residual values are reviewed each year and amended as required.

### 2.15 Intangible assets

Intangible assets acquired as part of a business combination or asset acquisition, other than goodwill, are initially measured at their fair value at the date of acquisition. Intangible assets acquired separately are initially recognised at cost.

Amortisation is charged to write off the cost less estimated residual value of plant and equipment on a straight line basis over their estimated useful lives which are:

- Brand and trade names 10 years
- Customer relationships 11 years
- Software 5 years

Estimated useful lives and residual values are reviewed each year and amended as required.

Indefinite life intangible assets comprising goodwill are not amortised and are subsequently measured at cost less any impairment. The gains and losses recognised in profit or loss arising from the derecognition of intangible assets are measured as the difference between net disposal proceeds and the carrying amount of the intangible asset.

Other intangible assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount might not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or group of assets (cash-generating units).

Goodwill impairment reviews are undertaken annually, or more frequently if events or changes in circumstances indicate a potential impairment. The method and useful lives of finite life intangible assets are reviewed annually. Changes in the expected pattern of consumption or useful life are accounted for prospectively by changing the amortisation method or period.

## Notes to the financial information continued

For the year ended 30 June 2022

### 2 Accounting policies continued

#### 2.16 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the first-in, first-out (FIFO) method. The cost of finished goods and work in progress comprises design costs, raw materials, direct labour and other direct costs. It excludes borrowing costs. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

#### 2.17 Leases

The Group leases properties and motor vehicles. Leases are recognised as a right-of-use asset and a corresponding lease liability at the date at which the leased asset is available for use by the Group.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- Fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- Variable lease payment that are based on an index or a rate, initially measured using the index or rate as at the commencement date;
- Amounts expected to be payable by the Group under residual value guarantees;
- The exercise price of a purchase option if the Group is reasonably certain to exercise that option; and
- Payments of penalties for terminating the lease, if the lease term reflects the Group exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period.

Right-of-use assets are measured at cost which comprises the following:

- The amount of the initial measurement of the lease liability;
- Any lease payments made at or before the commencement date less any lease incentives received;
- Any initial direct costs; and
- Restoration costs.

Right-of-use assets are depreciated over the shorter of the asset's useful life and the lease term on a straight line basis. If the Group is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

Payments associated with short-term leases (term less than 12 months) and all leases of low-value assets (generally less than £5k) are recognised on a straight-line basis as an expense in profit or loss.

#### 2.18 Equity

Share capital is determined using the nominal value of shares that have been issued.

The Share premium account includes any premiums received on the initial issuing of the share capital. Any transaction costs associated with the issuing of shares are deducted from the Share premium account, net of any related income tax benefits.

The Reverse Acquisition reserve includes the accumulated losses incurred prior to the reverse acquisition, the share capital of eLight Group Holdings Limited at acquisition, the reverse acquisition share based payment expense as well as the costs incurred in completing the reverse acquisition.

Put options in relation to acquisitions where it is determined that the non-controlling interest has present access to the returns associated with the underlying ownership interest the Group has elected to use the present access method. This results in the fair value of the option being recognised as a liability, with a corresponding entry in other equity reserves.

The Foreign exchange reserve includes gains and losses arising on retranslating the net assets of companies within the group with a functional currency different to the presentation currency of the Group.

Accumulated losses includes all current and prior period results as disclosed in the income statement other than those transferred to the Reverse Acquisition reserve.

#### 2.19 Taxation

Taxation comprises current and deferred tax.

Current tax is based on taxable profit or loss for the period. Taxable profit or loss differs from profit or loss as reported in the income statement because it excludes items of income and expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The asset or liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the financial information and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

## 2 Accounting policies continued

### 2.19 Taxation continued

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and associates, and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realised. Deferred tax is charged or credited to profit or loss, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

### 2.20 Borrowings and borrowing costs

Borrowings are recognised initially at fair value, net of transaction costs. Borrowings are subsequently carried at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are capitalised as a prepayment for liquidity services and amortised over the period of the loan to which it relates.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period.

### 2.21 Exceptional items and non-GAAP performance measures

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. Generally, exceptional items include those items that do not occur often and are material.

Exceptional items include i) the costs incurred in delivering the "Buy & Build" strategy associated with acquisitions and strategic investments; (ii) incremental costs of restructuring and transforming the Group to integrate acquired businesses and (iii) share based payments.

We believe the non-GAAP performance measures presented, along with comparable GAAP measurements, are useful to provide information with which to measure the Group's performance, and its ability to invest in new opportunities. Management uses these measures with the most directly comparable GAAP financial measures in evaluating operating performance and value creation. The primary measure is Earnings before Interest, Tax, Depreciation and Amortisation ("EBITDA") and Adjusted EBITDA, which is the measure of profitability before Exceptional items. These measures are also consistent with how underlying business performance is measured internally. We also report our Profit before Exceptional items which is our net income, after tax and before exceptional items as this is a measure of our underlying financial performance.

The Group separately reports exceptional items within their relevant income statement line as it believes this helps provide a better indication of the underlying performance of the Group. Judgement is required in determining whether an item should be classified as an exceptional item or included within underlying results. Reversals of previous exceptional items are assessed based on the same criteria.

Non-GAAP financial measures should not be considered in isolation from, or as a substitute for, financial information presented in compliance with GAAP.

### 2.22 Critical accounting judgements and key sources of estimation uncertainty

In the process of applying the entity's accounting policies, management makes estimates and assumptions that have an effect on the amounts recognised in the financial statements. Although these estimates are based on management's best knowledge of current events and actions, actual results may ultimately differ from those estimates. The following are the critical judgement the directors have made in the process of applying the Group's accounting policies.

#### Impairment assessment

In accordance with its accounting policies, each CGU is evaluated annually to determine whether there are any indications of impairment and a formal estimate of the recoverable amount is performed. The recoverable amount is based on value in use which require the Group to make estimates regarding key assumptions regarding forecast revenues, costs and pre-tax discount rate. Further details are disclosed within note 14. Uncertainty about these assumptions could result in outcomes that require a material adjustment to the carrying amount of goodwill in future periods.

#### Energy credits

Energy credits are valued based on management's assessment of market price fair value underlying the energy credit. Such assessment is derived from valuation techniques that include inputs for the energy credit asset that are not based on observable market data. Further details are disclosed within note 25. Uncertainty about the market price fair value used in valuing the energy credit assets could result in outcomes that require a material adjustment to the value of these energy credits assets in future periods.

#### Intangible assets

On acquisition, specific intangible assets are identified and recognised separately from goodwill and then amortised over their estimated useful lives. An external expert is engaged to assist with the identification of material intangible assets and their estimated useful lives. These include items such as brand names and customer lists, to which value is first attributed at the time of acquisition. The capitalisation of these assets and the related amortisation charges are based on judgements about the value and economic life of such items.

The economic lives for customer relationships, trade names and computer software are estimated at between five and eleven years. The value of intangible assets, excluding goodwill, at 30 June 2022 is £4,917,000 (2021: £1,890,000).

## Notes to the financial information continued

For the year ended 30 June 2022

### 2 Accounting policies continued

#### 2.22 Critical accounting judgements and key sources of estimation uncertainty continued

##### Contingent consideration

An element of consideration relating to certain business acquisitions made is contingent on the future EBITDA targets being achieved by the acquired businesses. On acquisition, estimates are made of the expected future EBITDA based on forecasts prepared by management. These estimates are reassessed at each reporting date and adjustments are made where necessary. Amounts of deferred and contingent consideration payable after one year are discounted. The carrying value of contingent consideration at 30 June 2022 is £868,000 (2021: £nil).

Any gain or loss on revaluation of contingent consideration does not adjust the carrying value of goodwill and is treated as an exceptional item in the income statement.

##### Procurement services revenue

When assessing the recognition of Procurement Services revenue within the Energy Management division the Group estimates the degree to which expected energy consumption is constrained by reductions in energy consumption over the term of the contract when compared to the historical energy consumption of the client and by the risk of supply contracts being terminated by clients before the end of the contract term. These constraints reduce the extent to which Procurement Service revenue is recognised on signing whether the client contract is purely for Procurement Services or a combination of Procurement and Energy Management Services.

### 3 Prior Year Adjustment

In the prior year the Group acquired Beond Group Limited on which the Group estimated the fair value of assets and liabilities acquired. During the current year, and within the measurement period of one year as permitted by IFRS 3, the Group finalised the provisional fair values acquired and as a result has increased the accrued revenue at the acquisition date by £1,190,000, with a corresponding reduction in Goodwill. This has been recorded in the prior year balance sheet and has no impact on the statement of comprehensive income, cashflows or reserves.

### 4 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 year ended 30 June 2022 the Group had three operating segments, being Energy Services, Energy Management and Group.

The Board considers that the Group operates in two business segments, Energy Management and Energy Services, which predominantly comprised of LED lighting solutions. With the strengthening of the management team following the acquisition of UtilityTeam in September 2021 and the appointment of Managing Directors to lead each of the operating segments the Board now primarily reviews Energy Services as a single segment whereas in the prior year the Board reviewed the operations in the UK and Ireland separately. Accordingly, the comparative figures have been restated to be consistent with the current management of the Group.

|                                                       | Energy<br>Management<br>£'000 | Energy<br>Services<br>£'000 | Central<br>£'000 | Group<br>£'000 |
|-------------------------------------------------------|-------------------------------|-----------------------------|------------------|----------------|
| 2022                                                  |                               |                             |                  |                |
| Revenue – UK                                          | 11,634                        | 8,518                       | –                | 20,152         |
| Revenue – Ireland                                     | –                             | 1,944                       | –                | 1,944          |
| Revenue – Total                                       | 11,634                        | 10,462                      | –                | 22,096         |
| Cost of sales                                         | (2,251)                       | (6,880)                     | –                | (9,131)        |
| Gross Profit                                          | 9,383                         | 3,582                       | –                | 12,965         |
| Operating expenses                                    | (5,709)                       | (2,607)                     | (1,628)          | (9,944)        |
| <b>Adjusted EBITDA</b>                                | <b>3,674</b>                  | <b>975</b>                  | <b>(1,628)</b>   | <b>3,021</b>   |
| Depreciation and amortisation                         | (789)                         | (124)                       | (159)            | (1,072)        |
| Finance and similar charges                           | (82)                          | (244)                       | 3                | (323)          |
| <b>Profit (loss) before exceptional items and tax</b> | <b>2,803</b>                  | <b>607</b>                  | <b>(1,784)</b>   | <b>1,626</b>   |
| Impairment of brands                                  | (1,564)                       | –                           | –                | (1,564)        |
| Exceptional items                                     | (797)                         | (346)                       | (1,146)          | (2,289)        |
| Loss before tax                                       | 442                           | 261                         | (2,930)          | (2,227)        |
| Income tax                                            | 736                           | –                           | –                | 736            |
| <b>Profit (loss) after exceptional items and tax</b>  | <b>1,178</b>                  | <b>261</b>                  | <b>(2,930)</b>   | <b>(1,491)</b> |
| <b>Net Assets</b>                                     |                               |                             |                  |                |
| Assets:                                               | 33,930                        | 12,930                      | 2,833            | 49,693         |
| Liabilities                                           | (10,483)                      | (8,702)                     | (7,960)          | (27,145)       |
| <b>Net assets (liabilities)</b>                       | <b>23,447</b>                 | <b>4,228</b>                | <b>(5,127)</b>   | <b>22,548</b>  |



#### 4 Segment reporting continued

| 2021                                                  | Energy Management<br>£'000 | Energy Services<br>£'000 | Central<br>£'000 | Group<br>£'000 |
|-------------------------------------------------------|----------------------------|--------------------------|------------------|----------------|
| Revenue – UK                                          | 2,187                      | 8,511                    | –                | 10,698         |
| Revenue – Ireland                                     | –                          | 2,898                    | –                | 2,898          |
| Revenue – Total                                       | 2,187                      | 11,409                   | –                | 13,596         |
| Cost of sales                                         | (590)                      | (7,469)                  | –                | (8,059)        |
| Gross Profit                                          | 1,597                      | 3,940                    | –                | 5,537          |
| Operating expenses                                    | (862)                      | (2,550)                  | (1,295)          | (4,707)        |
| <b>Adjusted EBITDA</b>                                | 735                        | 1,390                    | (1,295)          | 830            |
| Depreciation and amortisation                         | (233)                      | (100)                    | –                | (333)          |
| Finance and similar charges                           | (14)                       | (416)                    | 4                | (426)          |
| <b>Profit (loss) before exceptional items and tax</b> | 488                        | 874                      | (1,291)          | 71             |
| Exceptional items                                     | –                          | –                        | (248)            | (248)          |
| Loss before tax                                       | 488                        | 874                      | (1,539)          | (177)          |
| Income tax                                            | 170                        | –                        | 35               | 205            |
| <b>Profit (loss) after exceptional items and tax</b>  | 658                        | 874                      | (1,504)          | 28             |
| <b>Net Assets</b>                                     |                            |                          |                  |                |
| Assets:                                               | 9,197                      | 8,681                    | 3,141            | 21,019         |
| Liabilities                                           | (2,322)                    | (7,820)                  | (1,004)          | (11,146)       |
| <b>Net assets (liabilities)</b>                       | 6,875                      | 861                      | 2,137            | 9,873          |

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#### 5 Revenue from contracts with customers

|                | 2022<br>£'000 | 2021<br>£'000 |
|----------------|---------------|---------------|
| Sales revenue  | 22,181        | 13,478        |
| Energy credits | (85)          | 118           |
|                | 22,096        | 13,596        |

In the current year, there were no customers accounting for greater than 10% of the Group's revenue.

In the prior year, more than 10% of the Group's revenue was accounted for by 1 UK customer (£1.6 million).

#### Timing of transfer of goods and services

|                                                             | 2022<br>£'000 | 2021<br>£'000 |
|-------------------------------------------------------------|---------------|---------------|
| Point in time – commission recognised on contract signature | 3,976         | 483           |
| Commissions recognised over time                            | 7,658         | 1,704         |
| Point in time – installation at customer premises           | 10,462        | 11,409        |
|                                                             | 22,096        | 13,596        |

#### 6 Cost of sales

|                             | 2022<br>£'000 | 2021<br>£'000 |
|-----------------------------|---------------|---------------|
| Cost of sales – labour      | 1,745         | 2,320         |
| Cost of sales – commissions | 1,148         | 564           |
| Cost of sales – technology  | 4,377         | 2,479         |
| Cost of sales – other       | 1,861         | 2,696         |
|                             | 9,131         | 8,059         |

## Notes to the financial information continued

For the year ended 30 June 2022

## 7 Operating expenses

The breakdown of operating expenses by nature is as follows:

|                                                                    | 2022<br>£'000 | 2021<br>£'000 |
|--------------------------------------------------------------------|---------------|---------------|
| Wages and salaries                                                 | 7,039         | 3,625         |
| Rent, utilities and office costs                                   | 1,165         | 253           |
| Professional fees                                                  | 503           | 464           |
| Travel and motor vehicle expenses                                  | 442           | 175           |
| Foreign exchange                                                   | (2)           | (2)           |
| Share of loss on investment in associate                           | —             | 34            |
| Realised gain on sale of other assets                              | —             | (304)         |
| Adjustment of assets recorded at fair value through profit or loss | (41)          | —             |
| Exceptional items (see below)                                      | 2,289         | 248           |
| Other expenditure                                                  | 838           | 462           |
|                                                                    | <b>12,233</b> | <b>4,955</b>  |

The Directors consider the following expenses (credits) within operating expenses to be exceptional:

|                                                                | Note | 2022<br>£'000 | 2021<br>£'000 |
|----------------------------------------------------------------|------|---------------|---------------|
| Changes to the initial recognition of contingent consideration | 30   | (1,032)       | (1,444)       |
| Integration costs                                              |      | 891           | —             |
| Other strategic investments                                    |      | 347           | —             |
| Restructuring costs                                            |      | 290           | 113           |
| Acquisition related costs                                      |      | 1,273         | 1,094         |
| Share based payment expense                                    | 34   | 520           | 485           |
|                                                                |      | <b>2,289</b>  | <b>248</b>    |

## 8 Auditors remuneration

|                                                                                                             | 2022<br>£'000 | 2021<br>£'000 |
|-------------------------------------------------------------------------------------------------------------|---------------|---------------|
| Fees payable to the Company's auditor for the audit of parent company and consolidated financial statements | 80            | 41            |
| Tax compliance services                                                                                     | —             | 7             |
|                                                                                                             | <b>80</b>     | <b>48</b>     |

## 9 Staff costs and directors' emoluments

The aggregate staff costs for the year were as follows:

|                                | Group         |                           | Company       |               |
|--------------------------------|---------------|---------------------------|---------------|---------------|
|                                | 2022<br>£'000 | 2021<br>Restated<br>£'000 | 2022<br>£'000 | 2021<br>£'000 |
| Directors' remuneration        | 752           | 859                       | 932           | 648           |
| Other staff wages and salaries | 4,736         | 2,358                     | —             | 81            |
| Social security costs          | 1,031         | 408                       | 169           | 89            |
| Share based payment expense    | 520           | 485                       | —             | —             |
|                                | <b>7,039</b>  | <b>4,110</b>              | <b>1,101</b>  | <b>818</b>    |

On average, excluding non-executive directors, the Group and Company employed 23 technical staff members (2021: 25), 43 sales staff members (2021: 26) and 62 administration and management staff members (2021: 21). The highest paid director is disclosed in the directors remuneration report.

## 10 Finance costs – Net

|                                 | 2022<br>£'000 | 2021<br>£'000 |
|---------------------------------|---------------|---------------|
| Interest expense – borrowings   | (266)         | (361)         |
| Finance charge on leased assets | (57)          | (65)          |
| Finance costs – net             | (323)         | (426)         |

## 11 Taxation

|                                                                    | 2022<br>£'000 | 2021<br>£'000 |
|--------------------------------------------------------------------|---------------|---------------|
| The charge/(credit) for year is made up as follows:                |               |               |
| Current tax charge/(credit)                                        |               |               |
| Current year                                                       | 159           | (36)          |
| Deferred tax credit (note 24)                                      |               |               |
| Origination and reversal of temporary differences                  | (895)         | (169)         |
| Total tax credit for the year                                      | (736)         | (205)         |
| <b>Reconciliation of effective tax rate</b>                        |               |               |
| Loss before income tax                                             | (2,227)       | (177)         |
| Income tax applying the UK corporation tax rate of 19% (2021: 19%) | (423)         | (34)          |
| Effect of tax rate in foreign jurisdiction                         | 85            | 28            |
| Non – deductible expenses                                          | 11            | 95            |
| Impact of tax rate change                                          | (102)         | 44            |
| Movement in unrecognised deferred tax asset                        | (322)         | (303)         |
| Other tax differences                                              | 15            | (35)          |
| <b>Income tax credit for the year</b>                              | <b>(736)</b>  | <b>(205)</b>  |

The movements in Deferred Tax are described in Note 24.

### Factors affecting the future tax charge

The standard rates of corporation tax in the UK and Ireland are 19% and 12.5% respectively.

A reduction in the UK corporation tax rate from 19% to 17% effective 1 April 2020 was substantively enacted on 6 September 2016. The March 2020 Budget announced that a rate of 19% would continue to apply with effect from 1 April 2020. An increase in the UK corporate tax rate from 19% to 25% (effective from 1 April 2023) was substantively enacted on 14 May 2021. This will increase the Company's future current tax charge accordingly.

## 12 Earnings Per Share

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

|                                                                      | 2022          | 2021        |
|----------------------------------------------------------------------|---------------|-------------|
| (Loss) profit for the year from continuing operations – £'000        | (1,431)       | 28          |
| Weighted number of ordinary shares in issue                          | 323,783,394   | 199,038,204 |
| <b>Basic earnings per share from continuing operations – pence</b>   | <b>(0.44)</b> | <b>0.01</b> |
| Weighted number of dilutive instruments in issue                     | –             | 11,504,993  |
| Weighted number of ordinary shares and dilutive instruments in issue | 323,783,394   | 210,543,197 |
| <b>Diluted earnings per share from continuing operations – pence</b> | <b>(0.44)</b> | <b>0.01</b> |

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 year as they are anti-dilutive. See note 34 for further details.

## Notes to the financial information continued

For the year ended 30 June 2022

## 13 Property, plant and equipment

| Group                              | Property,<br>plant &<br>equipment<br>£'000 | Computer<br>equipment<br>£'000 | Total<br>£'000 |
|------------------------------------|--------------------------------------------|--------------------------------|----------------|
| <b>Cost</b>                        |                                            |                                |                |
| Opening balance                    | 107                                        | 70                             | 177            |
| Additions on acquisition           | 153                                        | 10                             | 163            |
| Additions in the year              | —                                          | 125                            | 125            |
| Transfer to intangibles            | —                                          | (176)                          | (176)          |
| At 30 June 2021                    | 260                                        | 29                             | 289            |
| Additions on acquisition (note 30) | 306                                        | —                              | 306            |
| Additions in the year              | 240                                        | 47                             | 287            |
| <b>At 30 June 2022</b>             | <b>806</b>                                 | <b>76</b>                      | <b>882</b>     |
| <b>Depreciation</b>                |                                            |                                |                |
| Opening balance                    | (39)                                       | (8)                            | (47)           |
| Additions on acquisition           | (104)                                      | (10)                           | (114)          |
| Charge for the year                | (48)                                       | (22)                           | (70)           |
| Transfer to intangibles            | —                                          | 22                             | 22             |
| At 30 June 2021                    | (191)                                      | (18)                           | (209)          |
| Additions on acquisition (note 30) | (108)                                      | —                              | (108)          |
| Charge for the year                | (95)                                       | (12)                           | (107)          |
| <b>At 30 June 2022</b>             | <b>(394)</b>                               | <b>(30)</b>                    | <b>(424)</b>   |
| Net book value 30 June 2021        | 69                                         | 11                             | 80             |
| <b>Net book value 30 June 2022</b> | <b>412</b>                                 | <b>46</b>                      | <b>458</b>     |

| Company                            | Property,<br>plant &<br>equipment<br>£'000 | Total<br>£'000 |
|------------------------------------|--------------------------------------------|----------------|
| <b>Cost</b>                        |                                            |                |
| Opening balance                    | 72                                         | 72             |
| Additions in the year              | 34                                         | 34             |
| <b>At 30 June 2022</b>             | <b>106</b>                                 | <b>106</b>     |
| <b>Depreciation</b>                |                                            |                |
| Opening balance                    | (72)                                       | (72)           |
| Charge for the year                | (6)                                        | (6)            |
| <b>At 30 June 2022</b>             | <b>(78)</b>                                | <b>(78)</b>    |
| Net book value 30 June 2021        | —                                          | —              |
| <b>Net book value 30 June 2022</b> | <b>28</b>                                  | <b>28</b>      |

## 14 Intangible assets

The intangible assets primarily relate to the Goodwill and separately identifiable intangible assets arising on the Group's acquisitions. See note 30 for further details of the acquisitions made in the current year. The Group tests the intangible asset for indications of impairment at each reporting period, in line with accounting policies.

|                                              | Goodwill<br>£'000 | Software<br>£'000 | Customer<br>Relationships<br>£'000 | Brand<br>£'000 | Total<br>£'000 |
|----------------------------------------------|-------------------|-------------------|------------------------------------|----------------|----------------|
| <b>Cost</b>                                  |                   |                   |                                    |                |                |
| Opening balance                              | 211               | —                 | —                                  | —              | 211            |
| Additions on acquisition (restated) (note 3) | 8,402             | 411               | 824                                | 555            | 10,192         |
| Additions in the year                        | —                 | 77                | —                                  | —              | 77             |
| Transfer from PP&E                           | —                 | 154               | —                                  | —              | 154            |
| <b>At 30 June 2021 (restated)</b>            | <b>8,613</b>      | <b>642</b>        | <b>824</b>                         | <b>555</b>     | <b>10,634</b>  |
| Additions on acquisition (note 30)           | 15,203            | 215               | 3,487                              | 1,039          | 19,944         |
| Additions in the year                        | —                 | 401               | —                                  | —              | 401            |
| <b>At 30 June 2022</b>                       | <b>23,816</b>     | <b>1,258</b>      | <b>4,311</b>                       | <b>1,594</b>   | <b>30,979</b>  |
| <b>Amortisation</b>                          |                   |                   |                                    |                |                |
| Opening balance                              | —                 | —                 | —                                  | —              | —              |
| Additions on acquisition                     | —                 | —                 | —                                  | —              | —              |
| Charge for the year                          | —                 | (60)              | (41)                               | (30)           | (131)          |
| <b>At 30 June 2021</b>                       | <b>—</b>          | <b>(60)</b>       | <b>(41)</b>                        | <b>(30)</b>    | <b>(131)</b>   |
| Additions on acquisition                     | —                 | —                 | —                                  | —              | —              |
| Impairment                                   | —                 | —                 | —                                  | (1,564)        | (1,564)        |
| Charge for the year                          | —                 | (159)             | (392)                              | —              | (551)          |
| <b>At 30 June 2022</b>                       | <b>—</b>          | <b>(219)</b>      | <b>(433)</b>                       | <b>(1,594)</b> | <b>(2,246)</b> |
| Net book value 30 June 2021 (restated)       | 8,613             | 582               | 783                                | 525            | 10,503         |
| <b>Net book value 30 June 2022</b>           | <b>23,816</b>     | <b>1,039</b>      | <b>3,878</b>                       | <b>—</b>       | <b>28,733</b>  |

The Group completed a strategic review of its brands and trading names and on 1 July 2022 aligned all of the trading businesses under the master "eEnergy" brand. Accordingly, the carrying value of the Beond and the UtilityTeam brand names were fully impaired as at the year end.

The recoverable amount of each cash generating unit was determined based on value-in-use calculations which require the use of assumptions. The calculations use cash flow projections based on financial budgets approved by management which are built "bottom up" for the next three years. Within those cash flow projections revenues increase at a compound annual growth rate of 20% (2021: 20%). The annual discount rate applied to the cash flows is 13% (2021: 13%) which is the same rate used by our valuation adviser to value the separately identifiable intangible assets in the year.

The directors have considered and assessed reasonably possible changes in key assumptions and have not identified any instances that could cause the carrying amount to exceed recoverable amount.

## Notes to the financial information continued

For the year ended 30 June 2022

**15 Investment in associate**

During the prior year, the Group entered into various agreements to acquire, in April 2021, an initial 33.3% interest which was increased to 37.5% interest in eEnergy Insights Ltd ("EIL") in June 2021. EIL was a newly formed specialist smart metering measurement equipment and analytics business which acquired certain trade assets out of the administration process of Measure My Energy Limited ("MME") and certain associated intellectual property assets in April 2021.

As part of the agreement entered into in June 2021 the Group received nil cost warrants to raise its interest to 51% of the equity, subject to certain operational targets being achieved. In addition, agreement was reached on a mechanism to acquire the remaining 49% of the equity under a pre-agreed valuation method after three years.

The Group exercised its warrants in October 2021 taking its ownership interest to 51%. It subsequently acquired the shareholdings of certain minority investors in May 2022, taking its ownership interest to 85.5%.

In the prior year, the Group held EIL as an equity accounted investment in associate. Following the acquisition in October 2021 the Group was considered to have assumed control and EIL has been subsequently accounted for as a consolidated subsidiary, with the acquisition treated as a step acquisition.

|                                                | 2022<br>£'000 | 2021<br>£'000 |
|------------------------------------------------|---------------|---------------|
| Interest in associate at beginning of the year | 155           | —             |
| Investment in associate during the year        | —             | 189           |
| Derecognition following step acquisition       | (155)         | —             |
| Share of loss on investment in associate       | —             | (34)          |
| Interest in associate at end of the year       | —             | 155           |

In the prior year EIL's loss from April 2021 until June 2021 was £91,000 of which the Group recognised its share of loss of £34,000. No share of the result of EIL was recognised in the current year until the date of the step acquisition on the basis the company is in a net liabilities position.

**16 Investment in subsidiaries**

| Company only                               | 2022<br>£'000 | 2021<br>£'000 |
|--------------------------------------------|---------------|---------------|
| Opening balance                            | 17,947        | 6,574         |
| Additions during the year:                 |               |               |
| – consideration paid RSL                   | —             | 2,238         |
| – consideration paid Beond (note 30)       | —             | 9,135         |
| – Transfer to intermediate holding company | (11,373)      | —             |
| Closing balance                            | 6,574         | 17,947        |

The full list of subsidiary undertakings of the Company are listed in note 39.



## 17 Inventory

|                                    | Group         |                           | Company       |               |
|------------------------------------|---------------|---------------------------|---------------|---------------|
|                                    | 2022<br>£'000 | 2021<br>Restated<br>£'000 | 2022<br>£'000 | 2021<br>£'000 |
| The balance at year end comprised: |               |                           |               |               |
| Work in progress                   | 403           | 153                       | —             | —             |
| Finished goods                     | 406           | 218                       | —             | —             |
|                                    | 809           | 371                       | —             | —             |

## 18 Trade and other receivables

|                   | Group         |                           | Company       |               |
|-------------------|---------------|---------------------------|---------------|---------------|
|                   | 2022<br>£'000 | 2021<br>Restated<br>£'000 | 2022<br>£'000 | 2021<br>£'000 |
| Trade receivables | 3,827         | 2,090                     | —             | —             |
| Prepayments       | 726           | 543                       | 574           | 111           |
| Accrued revenue   | 9,892         | 2,056                     | —             | —             |
| Other receivables | 1,577         | 824                       | 289           | 42            |
|                   | 16,022        | 5,513                     | 863           | 153           |

All trade receivables are short term and are due from counterparties with acceptable credit ratings so there is no expectation of a credit loss. Accordingly, the Directors consider that the carrying value amount of trade and other receivables approximates to their fair value. The value of inventory expensed as part of Cost of Sales in the year and prior year is disclosed in Note 6. Inventories are stated at the lower of cost and net realisable value. The increase in accrued income is primarily from £2,143k of acquisitions in the period, see note 30.

## 19 Cash and cash equivalents

Cash and cash equivalents consist of cash on hand and short term deposits. The carrying value of these approximates to their fair value. Cash and cash equivalents included in the cash flow statement comprise the following balance sheet amounts.

|                                                      | Group         |               | Company       |               |
|------------------------------------------------------|---------------|---------------|---------------|---------------|
|                                                      | 2022<br>£'000 | 2021<br>£'000 | 2022<br>£'000 | 2021<br>£'000 |
| Cash at bank and in hand (excluding restricted cash) | 1,380         | 3,332         | 91            | 1,187         |
| Restricted cash                                      | 422           | —             | —             | —             |
| Cash and cash equivalents                            | 1,802         | 3,332         | 91            | 1,187         |

Restricted cash relates to financing arrangements and customer collections.

## 20 Trade and other payables

|                                 | Group         |               | Company       |               |
|---------------------------------|---------------|---------------|---------------|---------------|
|                                 | 2022<br>£'000 | 2021<br>£'000 | 2022<br>£'000 | 2021<br>£'000 |
| <b>Current liabilities</b>      |               |               |               |               |
| Trade payables                  | 4,196         | 4,064         | 609           | 564           |
| Accrued expenses                | 2,610         | 1,143         | 313           | 116           |
| Deferred income                 | 2,809         | 159           | —             | —             |
| Social security and other taxes | 2,790         | 1,959         | 324           | 323           |
| Contingent consideration        | 868           | —             | 868           | —             |
| Other payables                  | 3,529         | 494           | —             | —             |
|                                 | 16,802        | 7,819         | 2,114         | 1,003         |

Trade payables and accruals principally comprise amounts outstanding for trade purchases and continuing costs. The Directors consider that the carrying value amount of trade and other payables approximates to their fair value. Refer Note 31.

Deferred income represents revenues collected but not yet earned as at the year end. The increase in deferred income is primarily from £2,743k of acquisitions in the period, see note 30.

Other payables primarily relates to provisions for under consumption or cancelled contracts.

## Notes to the financial information continued

For the year ended 30 June 2022

## 21 Leases

The Group had the following lease assets and liabilities at 30 June:

|                     | Group         |               | Company       |               |
|---------------------|---------------|---------------|---------------|---------------|
|                     | 2022<br>£'000 | 2021<br>£'000 | 2022<br>£'000 | 2021<br>£'000 |
| Right of use assets |               |               |               |               |
| Properties          | 774           | 579           | 279           | —             |
| Motor vehicles      | 3             | 31            | —             | —             |
|                     | 777           | 610           | 279           | —             |
| Lease liabilities   |               |               |               |               |
| Current             | 542           | 264           | 265           | —             |
| Non-current         | 350           | 434           | —             | —             |
|                     | 892           | 698           | 265           | —             |

|                                                   | Group         |               | Company       |               |
|---------------------------------------------------|---------------|---------------|---------------|---------------|
|                                                   | 2022<br>£'000 | 2021<br>£'000 | 2022<br>£'000 | 2021<br>£'000 |
| Maturity on the lease liabilities are as follows: |               |               |               |               |
| Current                                           | 542           | 264           | 265           | —             |
| Due between 1-5 years                             | 235           | 194           | —             | —             |
| Due beyond 5 years                                | 601           | 240           | —             | —             |
|                                                   | 1,378         | 698           | 265           | —             |

## Right of use assets

|                            | Group         |               | Company       |               |
|----------------------------|---------------|---------------|---------------|---------------|
|                            | 2022<br>£'000 | 2021<br>£'000 | 2022<br>£'000 | 2021<br>£'000 |
| Properties                 |               |               |               |               |
| Opening balance            | 579           | 477           | —             | —             |
| Additions                  | 487           | 215           | 431           | —             |
| Additions on acquisition   | 135           | —             | —             | —             |
| Depreciation               | (427)         | (102)         | (152)         | —             |
| Impact of foreign exchange | —             | (11)          | —             | —             |
| Closing balance            | 774           | 579           | 279           | —             |
| Motor vehicles             |               |               |               |               |
| Opening balance            | 31            | 61            | —             | —             |
| Additions                  | —             | —             | —             | —             |
| Depreciation               | (28)          | (27)          | —             | —             |
| Impact of foreign exchange | —             | (3)           | —             | —             |
| Closing balance            | 3             | 31            | —             | —             |

## 22 Borrowings

|                    | Group         |               | Company       |               |
|--------------------|---------------|---------------|---------------|---------------|
|                    | 2022<br>£'000 | 2021<br>£'000 | 2022<br>£'000 | 2021<br>£'000 |
| <b>Current</b>     |               |               |               |               |
| Borrowings         | 11            | 601           | —             | —             |
|                    | 11            | 601           | —             | —             |
| <b>Non-current</b> |               |               |               |               |
| Borrowings         | 5,011         | 1,245         | —             | —             |
|                    | 5,011         | 1,245         | —             | —             |

In February 2022 the Group refinanced substantially all of its existing bank indebtedness and consolidated its borrowings into a single £5 million, four year, revolving credit facility provided to eEnergy Holdings Limited, an intermediate holding company in the Group. The new facility is secured by way of debentures granted to the lender by all of the Group's trading subsidiaries. The facility includes covenants relating to debt service cover and gearing.

Maturity on the borrowings are as follows:

|                       | 2022<br>£'000 | 2021<br>£'000 |
|-----------------------|---------------|---------------|
| <b>Current</b>        | <b>11</b>     | 589           |
| Due between 1–2 years | 11            | 913           |
| Due between 2–5 years | 5,000         | 300           |
| Due beyond 5 years    | —             | 44            |
|                       | <b>5,022</b>  | 1,846         |

## 23 Other non-current liabilities

|                               | Group         |               | Company       |               |
|-------------------------------|---------------|---------------|---------------|---------------|
|                               | 2022<br>£'000 | 2021<br>£'000 | 2022<br>£'000 | 2021<br>£'000 |
| Income and other taxes        | —             | 468           | —             | —             |
| Other non-current liabilities | 2,252         | —             | —             | —             |
|                               | 2,252         | 468           | —             | —             |

Other non-current liabilities relates to amounts owed to external funding providers in relation to customer receivables not yet received by the Group and paid on in respect of multi-year contracts.

## Notes to the financial information continued

For the year ended 30 June 2022

## 24 Deferred tax

## Recognised deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

|                            | Assets        |               | Liabilities   |               | Total         |               |
|----------------------------|---------------|---------------|---------------|---------------|---------------|---------------|
|                            | 2022<br>£'000 | 2021<br>£'000 | 2022<br>£'000 | 2021<br>£'000 | 2022<br>£'000 | 2021<br>£'000 |
| Intangible assets          | —             | —             | 1,060         | 415           | 1,060         | 415           |
| Tangible assets            | —             | —             | 258           | —             | 258           | —             |
| Losses                     | (925)         | (415)         | —             | —             | (925)         | (415)         |
| Other                      | (146)         | —             | —             | —             | (146)         | —             |
| Total (assets) liabilities | (1,071)       | (415)         | 1,318         | 415           | 247           | —             |

Deferred tax assets and liabilities have been calculated using a rate of 25% (2021: 25%).

## Movement in temporary difference during the year

The following are the major deferred tax liabilities and assets recognised by the Group and movements thereon during the current and prior reporting period:

|                                     | 2022<br>£'000 | 2021<br>£'000 |
|-------------------------------------|---------------|---------------|
| Balance at 1 July                   | —             | —             |
| Acquired on acquisition – liability | 1,142         | 169           |
| Credit for the year                 | (895)         | (169)         |
| Balance at 30 June                  | 247           | —             |

## Unrecognised deferred tax assets

At 30 June 2022, the Group had tax losses in the UK and Ireland totalling £11.7 million and £3.2 million respectively (2021: £8.5 million and £2.3 million) for which deferred tax assets have been recognised to the extent that it is expected to be future taxable profits against which the Group can use the benefit therefrom.

## 25 Provisions

|            | Group         |               | Company       |               |
|------------|---------------|---------------|---------------|---------------|
|            | 2022<br>£'000 | 2021<br>£'000 | 2022<br>£'000 | 2021<br>£'000 |
| Put option | 860           | —             | —             | —             |
|            | 860           | —             | —             | —             |

During the year, the Group entered into a put option agreement in respect of the step acquisition of EIL to acquire further shares in the company, see note 15. The fair value of this option at acquisition was £3,921,000, of which £3,061,000 was utilised following exercise of options to acquire shares and discount rate unwind.

## 26 Financial assets at fair value through profit or loss

The Group classifies the following financial assets at fair value through profit or loss:

|                | Group         |               | Company       |               |
|----------------|---------------|---------------|---------------|---------------|
|                | 2022<br>£'000 | 2021<br>£'000 | 2022<br>£'000 | 2021<br>£'000 |
| Energy credits | 21            | 140           | —             | —             |
|                | 21            | 140           | —             | —             |

The energy credits are measured under level 2 of the fair value hierarchy as described in note 31.

## 27 Share capital and share premium

| Group and Company                                                    | Ordinary<br>Shares <sup>1</sup><br>Number | Share<br>Capital<br>£'000 | Share<br>Premium<br>£'000 | Total<br>£'000 |
|----------------------------------------------------------------------|-------------------------------------------|---------------------------|---------------------------|----------------|
| <b>As at 30 June 2020 (ordinary shares of £0.003 each)</b>           | 130,926,167                               | 392                       | 22,375                    | 22,767         |
| Issue of shares for acquisition of RSL                               | 13,333,333                                | 40                        | 744                       | 784            |
| Issue of shares at placing price of £0.10                            | 32,000,000                                | 96                        | 3,104                     | 3,200          |
| Issue of initial shares for acquisition of Beond                     | 63,771,130                                | 191                       | 6,441                     | 6,632          |
| Issue of shares for acquisition of minority interest in Beond        | 1,177,326                                 | 4                         | 114                       | 118            |
| Issue of shares in lieu of settlement of fees                        | 2,841,801                                 | 8                         | 293                       | 301            |
| Issue of shares upon exercise of warrants                            | 2,208,333                                 | 7                         | 159                       | 166            |
| Cost of share issue                                                  |                                           |                           | (216)                     | (216)          |
| <b>As at 30 June 2021 (ordinary shares of £0.003 each)</b>           | 246,258,090                               | 738                       | 33,014                    | 33,752         |
| Issue of shares at placing price of £0.15                            | 80,000,000                                | 240                       | 11,760                    | 12,000         |
| Issue of shares for the acquisition of UtilityTeam                   | 18,031,249                                | 55                        | 2,903                     | 2,958          |
| Issue of shares in exchange for loan notes from eEnergy Insights Ltd | 2,490,620                                 | 7                         | 301                       | 308            |
| Cost of share issue                                                  | —                                         | —                         | (618)                     | (618)          |
| <b>As at 30 June 2022 (ordinary shares of £0.003 each)</b>           | <b>346,779,959</b>                        | <b>1,040</b>              | <b>47,360</b>             | <b>48,400</b>  |
| Deferred share capital                                               |                                           | 15,333                    |                           |                |
| <b>Total share capital</b>                                           |                                           | <b>16,373</b>             |                           |                |

The deferred shares have no voting, dividend, or capital distribution (except on winding up) rights. They are redeemable at the option of the Company alone.

There has been no movement in the number of deferred shares during the current and prior years.

Details of share options and warrants issued during the year and outstanding at 30 June 2022 are set out in note 34.

The share premium represents the difference between the nominal value of the shares issued and the actual amount subscribed less; the cost of issue of the shares, the value of the bonus share issue, or any bonus warrant issue.

## Notes to the financial information continued

For the year ended 30 June 2022

## 28 Other reserves

| Group                                      | 2022<br>£'000 | 2021<br>£'000 |
|--------------------------------------------|---------------|---------------|
| Share based payment reserve                | 1,087         | 567           |
| Revaluation reserve – other current assets | 34            | 34            |
| Other equity reserve                       | (860)         | –             |
|                                            | 261           | 601           |
|                                            |               |               |
| Company                                    | 2022<br>£'000 | 2021<br>£'000 |
| Share based payment reserve                | 1,087         | 567           |
|                                            | 1,087         | 567           |

|                             |                                                                                                                                                                                                                                                                          |
|-----------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Share based payment reserve | Cumulative charge recognised under IFRS 2 in respect of share-based payment awards.                                                                                                                                                                                      |
| Reverse acquisition reserve | Substantially represents the pre-acquisition value of the equity of the parent company and the investment in eLight, net of expenses that was made when eLight reversed into the company then known as Alexander Mining plc in January 2020 to create eEnergy Group plc. |
| Revaluation reserve         | The increase in the assessed carrying value of other current assets.                                                                                                                                                                                                     |
| Other equity reserve        | This relates to the fair value of the put option liability in relation to the EIL acquisition in October 2021, which under the present access method is recognised against an other equity reserve.                                                                      |

## 29 Non-controlling interests

Non-controlling interests relates to the Group's investment in eEnergy Insights Limited ("EIL"). In the prior year, the Group acquired 37.5% of the shares in EIL and this was accounted for as an equity accounted associate. The Group acquired additional shares in the year which took the Group's investment to 85.5% of the company and is now a consolidated subsidiary.

The non-controlling interest at FY22 was negative equity of £77,000 (2021: £nil), being negative equity of £16,000 on acquisitions in October 2021 and May 2022 with a further loss recognised for the post-acquisition period of £60,000.

## 30 Business combinations

## UtilityTeam TopCo Limited

On 17 September 2021 the Company completed the acquisition of all of the share capital of UtilityTeam TopCo Limited ("UTT"). At the same time the Company completed the Placing of 80 million shares which were issued at 15 pence per share, raising £12.0 million for the Company. The Placing proceeds have been primarily used to settle the initial cash consideration for the acquisition of UTT.

UTT is a UK-based, top 20 energy consulting and procurement business, whose services aim to reduce costs and support clients' transition to Net Zero.

The initial consideration of £14.0 million was satisfied as follows:

- cash consideration of £9.5 million, payable on completion with further cash consideration of £2.0 million, payable on or before 31 December 2021; and
- the issue of 18.0 million Ordinary Shares, which had a fair value of £3.0 million based on the closing share price on the day prior to completion.

In April 2022, a reduction in consideration of £500,000 was agreed with the vendors to reflect the difference between the level of net working capital and debt in UTT when compared to that estimated in the Sale & Purchase Agreement. This amount was repaid by the vendors in cash during FY22 and is reflected in the table below. The final working capital adjustment was finalised subsequent to the year end and a further £280,000 reduction in will be recorded in FY23.

It was initially agreed that further earn-out consideration of up to a maximum of £5.1 million may be payable, based on a multiple of 7.0x UTT's EBITDA, for the year ending 31 December 2021. eEnergy agreed to pay £7 for every £1 of EBITDA generated in excess of £2.3 million, up to a maximum EBITDA of £3.0 million ("Earn-Out Consideration").

The Earn-Out Consideration would be satisfied as follows:

- the first £1.5 million of Earn-Out Consideration will be paid in cash; and
- any balance, up to £3.6 million, will be satisfied by the issue of new Ordinary Shares at a price that is the higher of 24p and the 30 day volume weighted average price prior to 31 December 2021.

The Earn Out Consideration was agreed in July 2022 and it was further agreed that it would be satisfied by the issue of 4,000,000 Ordinary Shares to the vendors. Subsequently, the deferred consideration of £1,900,000 referred below was reduced by £1,032,000 to a value of £868,000 – refer to Note 20.



### 30 Business combinations continued

#### UtilityTeam TopCo Limited continued

The fair value of the assets acquired and liabilities assumed of UTT at the date of acquisition based upon the UTT consolidated balance sheet at 17 September 2021 are as follows:

|                                                                    | £'000         |
|--------------------------------------------------------------------|---------------|
| Property, plant and equipment                                      | 191           |
| Right of use assets                                                | 135           |
| Cash at bank                                                       | 3,994         |
| Inventory                                                          | 27            |
| Trade and other receivables                                        | 3,574         |
| Trade and other payables                                           | (6,564)       |
| Lease liabilities                                                  | (141)         |
| Other liabilities                                                  | (2,190)       |
| Loans and other borrowings                                         | (1,450)       |
| Intangible assets                                                  | 4,526         |
| Deferred tax liability                                             | (1,132)       |
| <b>Total identifiable net assets acquired</b>                      | <b>970</b>    |
| Goodwill                                                           | 14,970        |
| <b>Consideration</b>                                               |               |
| Initial consideration (shares issued recorded at the market value) | 2,958         |
| Cash                                                               | 11,081        |
| Contingent consideration                                           | 1,900         |
| <b>Total consideration</b>                                         | <b>15,940</b> |

Goodwill relates to the accumulated "know how" and expertise of the business and its staff. None of the goodwill is expected to be deducted for income tax purposes. A purchase price allocation was performed during the year which recognised specific identifiable intangible assets which are deductible for income tax purposes. These separately identified intangible assets were:

- Brand names – £1,039,000; and
- Customer relationships – £3,487,000

#### eEnergy Insights Limited

In April 2021, the Group acquired 33.3% of eEnergy Insights Limited ("EIL") which was increased to 37.5% in June 2021. The Group exercised warrants in October 2021 taking ownership to 51% with a further acquisition to 85.5% in May 2022. See note 15 for further information.

The fair value of the assets acquired and liabilities assumed of EIL at the date of acquisition are as follows:

|                                               | £'000        |
|-----------------------------------------------|--------------|
| Property, plant and equipment                 | 11           |
| Computer software                             | 215          |
| Cash at bank                                  | 13           |
| Trade and other receivables                   | 60           |
| Inventory                                     | 317          |
| Borrowings                                    | (822)        |
| Trade and other payables                      | (44)         |
| <b>Total gross identifiable net assets</b>    | <b>(250)</b> |
| Non-controlling interests                     | 16           |
| <b>Total identifiable net assets acquired</b> | <b>(234)</b> |
| Goodwill                                      | 234          |
| <b>Consideration</b>                          |              |
| Cash (£28)                                    | —            |
| <b>Total consideration</b>                    | <b>—</b>     |

# Notes to the financial information continued

For the year ended 30 June 2022

## 31 Financial instruments and risk management

### Capital risk management

The Company manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to stakeholders. The overall strategy of the Company and the Group is to minimise costs and liquidity risk.

The capital structure of the Group consists of equity attributable to equity holders of the parent, comprising issued share capital, foreign exchange reserves and retained earnings as disclosed in the Consolidated Statement of Changes of Equity.

The Group is exposed to a number of risks through its normal operations, the most significant of which are interest, credit, foreign exchange and liquidity risks. The management of these risks is vested to the Board of Directors.

The sensitivity has been prepared assuming the liability outstanding was outstanding for the whole period. In all cases presented, a negative number in profit and loss represents an increase in finance expense/decrease in interest income.

### Fair Value Measurements Recognised in the Statement of Financial Position

The following provides an analysis of the Group's financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 & 2 based on the degree to which the fair value is observable.

- Level 1 fair value measurements are those derived from inputs other than quoted prices that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 2 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).
- Level 3 assets are assets whose fair value cannot be determined by using observable inputs or measures, such as market prices or models. Level 3 assets are typically very illiquid, and fair values can only be calculated using estimates or risk-adjusted value ranges.

### Equity price risk

The Group is exposed to equity price risks arising from equity investments. Equity investments are held for strategic purposes.

### Interest rate risk

The Group is exposed to interest rate risk whereby the risk can be a reduction of interest received on cash surpluses held and an increase in interest on borrowings the Group may have. The maximum exposure to interest rate risk at the reporting date by class of financial asset was:

|               | 2022<br>£'000 | 2021<br>£'000 |
|---------------|---------------|---------------|
| Bank balances | 1,802         | 3,332         |

Given the extremely low interest rate environment on bank balances, any probable movement in interest rates would have an immaterial effect.

The maximum exposure to interest rate risk at the reporting date by class of financial liability was:

|            | 2022<br>£'000 | 2021<br>£'000 |
|------------|---------------|---------------|
| Borrowings | 5,022         | 1,846         |

The borrowings attract interest rates between 2.5% and 4.9% (2021: between 3.4% and 13.5%). Assuming the amount at period end was held for a year, a 10% movement in this rate would have a £502,000: (2021: £18,000) effect on the amount owing.

### Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Group's receivables from customers. Indicators that there is no reasonable expectation of recovery include, amongst others, failure to make contractual payments for a period of greater than 120 days past due.

The carrying amount of financial assets represents the maximum credit exposure.

The principal financial assets of the Company and Group are bank balances, trade receivables and energy credits. The Group deposits surplus liquid funds with counterparty banks that have high credit ratings and the Directors consider the credit risk to be minimal.

### 31 Financial instruments and risk management continued

#### Credit risk continued

The Group's maximum exposure to credit by class of individual financial instrument is shown in the table below:

| Group                     | 2022<br>Carrying<br>Value<br>£'000 | 2022<br>Maximum<br>Exposure<br>£'000 | 2021<br>Carrying<br>Value<br>£'000 | 2021<br>Maximum<br>Exposure<br>£'000 |
|---------------------------|------------------------------------|--------------------------------------|------------------------------------|--------------------------------------|
| Cash and cash equivalents | 1,802                              | 1,802                                | 3,332                              | 3,332                                |
| Trade receivables         | 4,022                              | 4,022                                | 2,090                              | 2,090                                |
| Energy credits            | 21                                 | 21                                   | 140                                | 140                                  |
|                           | 5,845                              | 5,845                                | 5,562                              | 5,562                                |
| Company                   | 2022<br>Carrying<br>Value<br>£'000 | 2022<br>Maximum<br>Exposure<br>£'000 | 2021<br>Carrying<br>Value<br>£'000 | 2021<br>Maximum<br>Exposure<br>£'000 |
| Cash and cash equivalents | 91                                 | 91                                   | 1,187                              | 1,187                                |
| Trade receivables         | —                                  | —                                    | —                                  | —                                    |
|                           | 91                                 | 91                                   | 1,187                              | 1,187                                |

No aged analysis of financial assets is presented as no financial assets are past due at the reporting date.

#### Trade receivables

The Group has applied IFRS 9 Financial Instruments and the related consequential amendments to other IFRSs. IFRS 9 introduces requirements for the classification and measurement of financial assets and financial liabilities as well as the impairment of financial assets.

In relation to the impairment of financial assets, IFRS 9 requires an expected credit loss model as opposed to an incurred credit loss model under IAS 39. The expected credit loss model requires the Group to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition of the financial assets. In other words, it is no longer necessary for a loss event to have occurred before credit losses are recognised.

The group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables. During the period, there were no credit losses experienced and no loss allowance being recorded.

#### Currency risk

The Group operates in a global market with income and costs arising in a number of currencies and is exposed to foreign currency risk arising from commercial transactions, translation of assets and liabilities and net investment in foreign subsidiaries. Exposure to commercial transactions arise from sales or purchases by operating companies in currencies other than the Company's functional currency. Currency exposures are reviewed regularly.

The Group has a limited level of exposure to foreign exchange risk through its foreign currency denominated cash balances, trade receivables and payables:

| Euro                      | 2022<br>£'000 | 2021<br>£'000 |
|---------------------------|---------------|---------------|
| Cash and cash equivalents | 317           | 58            |
| Trade receivables         | 3,091         | 674           |
| Trade payables            | (255)         | (252)         |
|                           | 3,153         | 480           |

The table below summarises the impact of a 10% increase/decrease in the relevant foreign exchange rates versus the €EUR rate for the Group's pre-tax earnings for the period and on equity:

|                                  | 2022<br>£'000 | 2021<br>£'000 |
|----------------------------------|---------------|---------------|
| <b>Impact of 10% rate change</b> |               |               |
| Euro                             | 350           | 57            |
|                                  | 350           | 57            |

## Notes to the financial information continued

For the year ended 30 June 2022

## 31 Financial instruments and risk management continued

## Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group seeks to manage liquidity risk by regularly reviewing cash flow budgets and forecasts to ensure that sufficient liquidity is available to meet foreseeable needs and to invest cash assets safely and profitably. The Group deems there is sufficient liquidity for the foreseeable future.

The Group had cash and cash equivalents at period end as below:

|                           | 2022<br>£'000 | 2021<br>£'000 |
|---------------------------|---------------|---------------|
| Cash and cash equivalents | 1,802         | 3,332         |

## 32 Financial assets and financial liabilities

| 2022 – Group<br>Financial assets (liabilities) | Financial<br>assets at fair<br>value through<br>profit or loss<br>£'000 | Financial<br>assets at<br>amortised<br>cost<br>£'000 | Financial<br>liabilities at<br>amortised<br>cost<br>£'000 | Total<br>£'000 |
|------------------------------------------------|-------------------------------------------------------------------------|------------------------------------------------------|-----------------------------------------------------------|----------------|
| Fair value assets through profit or loss       | 21                                                                      | —                                                    | —                                                         | 21             |
| Trade and other receivables                    | —                                                                       | 5,599                                                | —                                                         | 5,599          |
| Cash and cash equivalents                      | —                                                                       | 1,802                                                | —                                                         | 1,802          |
| Trade and other payables                       | —                                                                       | —                                                    | (16,264)                                                  | (16,264)       |
| Lease liabilities (current and non-current)    | —                                                                       | —                                                    | (892)                                                     | (892)          |
| Borrowings (current and non-current)           | —                                                                       | —                                                    | (5,022)                                                   | (5,022)        |
|                                                | 21                                                                      | 7,401                                                | (22,178)                                                  | (14,756)       |

| 2022 – Company<br>Financial assets/liabilities | Financial<br>assets at<br>amortised<br>cost<br>£'000 | Financial<br>liabilities at<br>amortised<br>cost<br>£'000 | Total<br>£'000 |
|------------------------------------------------|------------------------------------------------------|-----------------------------------------------------------|----------------|
| Trade and other receivables                    | 863                                                  | —                                                         | 863            |
| Cash and cash equivalents                      | 91                                                   | —                                                         | 91             |
| Trade and other payables                       | —                                                    | (921)                                                     | (921)          |
|                                                | 954                                                  | (921)                                                     | 33             |

| 2021 – Group<br>Financial assets (liabilities) | Financial<br>assets at fair<br>value through<br>profit or loss<br>£'000 | Financial<br>assets at<br>amortised<br>cost<br>£'000 | Financial<br>liabilities at<br>amortised<br>cost<br>£'000 | Total<br>£'000 |
|------------------------------------------------|-------------------------------------------------------------------------|------------------------------------------------------|-----------------------------------------------------------|----------------|
| Fair value assets through profit or loss       | 140                                                                     | —                                                    | —                                                         | 140            |
| Trade and other receivables                    | —                                                                       | 2,867                                                | —                                                         | 2,867          |
| Cash and cash equivalents                      | —                                                                       | 3,332                                                | —                                                         | 3,332          |
| Trade and other payables                       | —                                                                       | —                                                    | (5,859)                                                   | (5,859)        |
| Lease liabilities (current and non-current)    | —                                                                       | —                                                    | (698)                                                     | (698)          |
| Borrowings (current and non-current)           | —                                                                       | —                                                    | (1,846)                                                   | (1,846)        |
|                                                | 140                                                                     | 6,199                                                | (8,403)                                                   | (2,064)        |

| 2021 – Company<br>Financial assets (liabilities) | Financial<br>assets at<br>amortised<br>cost<br>£'000 | Financial<br>liabilities at<br>amortised<br>cost<br>£'000 | Total<br>£'000 |
|--------------------------------------------------|------------------------------------------------------|-----------------------------------------------------------|----------------|
| Trade and other receivables                      | 153                                                  | —                                                         | 153            |
| Cash and cash equivalents                        | 1,187                                                | —                                                         | 1,187          |
| Trade and other payables                         | —                                                    | (680)                                                     | (680)          |
|                                                  | 1,340                                                | (680)                                                     | 660            |

### 33 Reconciliation of movement in net debt

|                                             | At 1 July<br>2021<br>£'000 | New<br>borrowing<br>£'000 | Interest<br>added<br>to debt<br>£'000 | Debt repaid<br>£'000 | Other<br>cashflows<br>£'000 | On<br>acquisition<br>£'000 | At 30 June<br>2022<br>£'000 |
|---------------------------------------------|----------------------------|---------------------------|---------------------------------------|----------------------|-----------------------------|----------------------------|-----------------------------|
| Cash at bank                                | 3,332                      | 4,890                     | —                                     | (3,634)              | (7,215)                     | 4,007                      | <b>1,380</b>                |
| Borrowings                                  | (1,846)                    | (4,890)                   | (123)                                 | 3,287                | —                           | (1,450)                    | <b>(5,022)</b>              |
| Net Cash (debt) excluding lease liabilities | 1,486                      | —                         | (123)                                 | (347)                | (7,215)                     | 2,557                      | <b>(3,642)</b>              |
| Lease liabilities                           | (698)                      | (484)                     | (57)                                  | 347                  | —                           | —                          | <b>(892)</b>                |
| Net Cash (debt)                             | 788                        | (484)                     | (180)                                 | —                    | (7,215)                     | 2,557                      | <b>(4,534)</b>              |

|                                             | At 1 July<br>2020<br>£'000 | New<br>borrowing<br>£'000 | Interest<br>added<br>to debt<br>£'000 | Debt repaid<br>£'000 | Other<br>cashflows<br>£'000 | On<br>Acquisition<br>£'000 | At 30 June<br>2021<br>£'000 |
|---------------------------------------------|----------------------------|---------------------------|---------------------------------------|----------------------|-----------------------------|----------------------------|-----------------------------|
| Cash at bank                                | 1,478                      | 286                       | —                                     | (558)                | 915                         | 1,211                      | 3,332                       |
| Borrowings                                  | (1,424)                    | (286)                     | (97)                                  | 470                  | —                           | (509)                      | (1,846)                     |
| Net Cash (debt) excluding lease liabilities | 54                         | —                         | (97)                                  | (88)                 | 915                         | 702                        | 1,486                       |
| Lease liabilities                           | (582)                      | (160)                     | (44)                                  | 88                   | —                           | —                          | (698)                       |
| Net Cash (debt)                             | (528)                      | (160)                     | (141)                                 | —                    | 915                         | 702                        | 788                         |

## Notes to the financial information continued

For the year ended 30 June 2022

**34 Share based payments and share options****(i) Executive Share Option Plan**

The Group operates an Executive Share Option Plan, under which directors, senior executives and consultants have been granted options to subscribe for ordinary shares. All options are share settled.

The fair value of services received in return for share options granted is measured by reference to the fair value of the share options granted. This estimate is based on the Black-Scholes model which is considered most appropriate considering the effects of vesting conditions, expected exercise period and the payment of dividends by the Company.

**(ii) Management Incentive Plan ("MIP")**

On 7 July 2020 the Company made a series of awards under the eEnergy Group Management Incentive Plan.

The MIP is linked to the growth in the value of the Company. The forms of incentive award to be implemented as part of the MIP comprise:

- (a) "Growth Share Awards": awards granted in the form of an immediate beneficial interest to be held by participants in a discrete and bespoke class of ordinary shares ("Growth Shares") in eEnergy Holdings Limited, a wholly owned subsidiary of the Company. After a minimum period of three years, the Growth Shares may be exchanged for new ordinary shares of 0.3 pence each in the Company ("Ordinary Shares"), subject to meeting performance conditions.
- (b) "Share Options": awards granted in the form of a share option with an exercise price equal to the market value of an Ordinary Share at the date of Grant. These are structured to qualify for the tax advantaged Enterprise Management Incentive ("EMI Share Options").

Under the MIP, the aggregate value of EMI Share Options and the Growth Shares is capped at 12.5% of the Company's market capitalisation on conversion of the Growth Shares.

Malus, clawback and leaver provisions apply to the MIP as outlined in the Admission Document.

**Growth shares**

As at 30 June 2022 the following Directors ("Participants") had subscribed for Growth Shares in eEnergy Holdings Limited for their tax market value as set out in the table below. This value was determined by the Company's independent advisers, Deloitte LLP. Payment of the subscription monies by the Participants is a firm commitment, with payment normally deferred until the MIP.

| Director        | Number of Growth shares | Aggregate Subscription Price |
|-----------------|-------------------------|------------------------------|
| Harvey Sinclair | 5,500                   | £298,650                     |
| Andrew Lawley   | 1,000                   | £54,300                      |
| David Nicholl   | 1,000                   | £54,300                      |
| <b>Total</b>    | <b>7,500</b>            | <b>£407,250</b>              |



### 34 Share based payments and share options continued

#### Growth shares continued

The Participants earn a percentage share of the "Value Created", being the difference between the Group's market capitalisation (one-month average) at the start and end of the measurement period (which is at least three years) adding any returns to shareholders such as dividends and deducting the value of new shares issued for cash or otherwise. The percentage share of the Value Created is subject to a minimum Total Shareholder Return ("TSR") hurdle of 5% and up to 15% TSR is equal to the annual TSR realised by shareholders over the measurement period, and thereafter increased on a straight line basis so that at 25% TSR the share of the Value Created is 20%, which is the maximum percentage of the Value Created allocated to the MIP.

Growth Shares can be exchanged for Ordinary Shares after three or four years at the Company's or Participant's option, based on the Value Created at that time. The value of any EMI Share Options held by a Participant are deducted from the value of their Growth Shares before conversion to Ordinary Shares. The Remuneration Committee must be satisfied that the gains on the Growth Shares are justified by the underlying financial performance of the Group.

Participants will be required to hold 50% of any Ordinary Shares acquired on conversion of the Growth Shares until the end of the fourth year (30 June 2024).

On a change of control, the TSR growth rate up to that date is measured and if the 5% minimum is achieved, Participants will share in the value created.

The fair value of the Growth Shares over the vesting period being three years grant date was deemed to be £833,000, with £214,000 (2021: £419,000) fair value expensed during the year.

#### EMI options

The Company granted the following EMI Share Options over Ordinary shares at an exercise price of 6.12 pence, based on the closing price on Monday 6 July 2020:

| Director        | Number of Options |
|-----------------|-------------------|
| Harvey Sinclair | 4,084,960         |
| Ric Williams    | 4,084,960         |
| <b>Total</b>    | <b>8,169,920</b>  |

The EMI options are exercisable when the MIP matures, being after a minimum period of three years. The Remuneration Committee must be satisfied that the returns are justified by the underlying financial performance of the Group.

Ric Williams resigned as a director during the year and the Remuneration Committee agreed that his EMI Share Options will either vest or lapse at the end of his notice period. As a result, the vesting period for his award has been deemed to reduce from three years to two years and three months and the value that has been expensed has been accelerated accordingly.

The fair value of the EMI Options over the vesting period being three years grant date was deemed to be £200,000, with £91,000 (2021: £66,000) fair value expensed during the year.

#### (iii) EMI Share Option Awards and non advantaged Share Option Awards

On 7 December 2021 the Company granted share options over 14,325,000 Ordinary Shares at an exercise price of 0.3 pence per share. The majority of the awards were structured so that the following vesting criteria applied:

- 1/3rd with an exercise condition of the share price being above 24p at vesting;
- 1/3rd with an exercise condition of the share price being above 20p at vesting; and
- 1/3rd with no exercise price condition.

2.5 million of the Options were awarded to Crispin Goldsmith, who is now a director of the Company. 2/3rd of his award has an exercise price condition at 15p at the vesting date and the remainder has no exercise price condition.

#### (iv) Other share options or warrants

On 9 January 2020 the Company issued 1,575,929 warrants to a number of advisers as part of the reverse acquisition transaction completed on that date which are exercisable for the 4 years following the anniversary of the date of issue at 7.5p per share. These adviser warrants had an estimated value of £45,544 which is based on the Black-Scholes model which is considered most appropriate considering the effects of vesting conditions, expected exercise period and the payment of dividends by the Company.

The estimated fair values of warrants which fall under IFRS 2, and the inputs used in the Black-Scholes Option model to calculate those fair values are as follows:

| Date of grant | Number of warrants | Share Price | Exercise Price | Expected volatility | Expected life | Risk free rate | Expected dividends |
|---------------|--------------------|-------------|----------------|---------------------|---------------|----------------|--------------------|
| 9 Jan 2020    | 1,575,929          | £0.075      | £0.075         | 45.00%              | 5             | 0.00%          | 0.00%              |

## Notes to the financial information continued

For the year ended 30 June 2022

## 34 Share based payments and share options continued

## Total contingently issuable shares

|                                  | 2022       | 2021      |
|----------------------------------|------------|-----------|
| Executive Share Option Plan      | 471,000    | 471,000   |
| Other share options and warrants | 25,570,849 | 1,452,596 |
|                                  | 26,041,849 | 1,923,596 |

The number and weighted average exercise price of share options and warrants are as follows:

|                                          | 2022                            |                   | 2021                            |                   |
|------------------------------------------|---------------------------------|-------------------|---------------------------------|-------------------|
|                                          | Weighted average exercise price | Number of options | Weighted average exercise price | Number of options |
| Outstanding at the beginning of the year | 17.887p                         | 1,923,596         | 27.955p                         | 4,308,262         |
| Granted during the year (acquisitions)   | 16.2p                           | 2,000,000         | —                               | —                 |
| Granted during the year                  | 2.5p                            | 22,118,253        | —                               | —                 |
| Lapsed during the year (Warrants)        | —                               | —                 | (45p)                           | (133,333)         |
| Lapsed during the year (Options)         | —                               | —                 | (1,476p)                        | (43,000)          |
| Exercised during the year                | —                               | —                 | (7.5p)                          | (2,208,333)       |
| Outstanding at the end of the year       | 4.969p                          | 26,041,849        | 17.887p                         | 1,923,596         |
| Exercisable at the end of the year       | 20.961p                         | 2,046,929         | 17.887p                         | 1,923,596         |

Share options and warrants outstanding at 30 June 2022, had a weighted average exercise price of 20.961 pence (2021: 17.887 pence) and a weighted average contractual life of 3.01 years (2021: 3.04 years). To date no share options have been exercised. There are no market based vesting conditions attaching to any share options outstanding at 30 June 2022.

## 35 Capital commitments

There were no capital commitments at 30 June 2022 or 30 June 2021.

## 36 Contingent liabilities

There were no contingent liabilities at 30 June 2022 or 30 June 2021.

## 37 Related party transactions

The remuneration of the Directors and their interest in the share capital is disclosed in the Remuneration Committee report in the Annual Report

Balances and transactions between companies within the Group that are consolidated and eliminated are not disclosed in these financial statements.

Certain of the Directors have committed to invest a total of £0.5m in the new subordinated loan facility, subject only to shareholders approving additional capacity to issue the warrants attaching to the subordinated loan facility.

## 38 Events subsequent to period end

Post year end the Group commenced a process to raise capital to support the ongoing working capital requirements of the Group. Following this process the Group secured a new £2.5 million subordinated loan facility to improve working capital headroom. £2.0m of this is unconditional with the balance subject to shareholders approving additional capacity to issue warrants attaching to the subordinated loan facility.

## 39 Control

In the opinion of the Directors as at the period end and the date of these financial statements there is no single ultimate controlling party.

## 40 List of subsidiary undertakings

As at 30 June 2022, the Group owned interests in the following subsidiary undertakings, which are included in the consolidated financial statements:

| Name                                    | Holding<br>2022 | Holding<br>2021 | Business Activity   | Country of<br>Incorporation | Registered Address                                        |
|-----------------------------------------|-----------------|-----------------|---------------------|-----------------------------|-----------------------------------------------------------|
| <b>Direct subsidiary undertaking</b>    |                 |                 |                     |                             |                                                           |
| eEnergy Holdings Limited                | 100%            | 100%            | Holding Company     | England & Wales             | 20 St Thomas Street, London, SE1 9RS                      |
| <b>Indirect subsidiary undertakings</b> |                 |                 |                     |                             |                                                           |
| eLight Group Holdings Limited           | 100%            | 100%            | Holding Company     | Ireland                     | 1-3 The Green, Malahide, Co.<br>Dublin K36 N153           |
| eEnergy Services N.I. Limited           | 100%            | —               | Trading Company     | Northern Ireland            | 19 Arthur Street, Belfast, BT1 4GA                        |
| e-Light Ireland Limited                 | 100%            | 100%            | Trading Company     | Ireland                     | 1-3 the Green, Malahide, Co.<br>Dublin K36 N153           |
| eLight EAAS Projects Limited            | 100%            | 100%            | Trading Company     | Ireland                     | 1-3 the Green, Malahide, Co.<br>Dublin K36 N153           |
| eEnergy Services UK Limited             | 100%            | 100%            | Trading Company     | England & Wales             | 20 St Thomas Street, London, SE1 9RS                      |
| eEnergy EAAS Projects UK Limited        | 100%            | 100%            | Trading Company     | England & Wales             | 20 St Thomas Street, London, SE1 9RS                      |
| eEnergy Services RSL Limited            | 100%            | 100%            | Trading Company     | England & Wales             | 20 St Thomas Street, London, SE1 9RS                      |
| Smartech Energy Projects Limited        | 100%            | 100%            | Trading Company     | England & Wales             | 20 St Thomas Street, London, SE1 9RS                      |
| eEnergy Consultancy Limited             | 100%            | 100%            | Trading Company     | England & Wales             | 20 St Thomas Street, London, SE1 9RS                      |
| Energy Centric Limited                  | 100%            | 100%            | Dormant             | England & Wales             | 20 St Thomas Street, London, SE1 9RS                      |
| Zero Carbon Projects Limited            | 100%            | 100%            | Non-trading Company | England & Wales             | 20 St Thomas Street, London, SE1 9RS                      |
| Zero Carbon Projects Pty Limited        | 100%            | 100%            | Non-trading Company | Australia                   | Suite 4, 142 Spit Rd, Mosman,<br>NSW, 2088                |
| eEnergy Insights Limited                | 85.5%           | 37.5%           | Trading Company     | England & Wales             | 20 St Thomas Street, London, SE1 9RS                      |
| eEnergy Management Limited              | 100%            | —               | Trading Company     | England & Wales             | 20 St Thomas Street, London, SE1 9RS                      |
| eEnergy Management Topco Limited        | 100%            | —               | Holding Company     | England & Wales             | 20 St Thomas Street, London, SE1 9RS                      |
| eEnergy Management Holdings Limited     | 100%            | —               | Holding Company     | England & Wales             | 20 St Thomas Street, London, SE1 9RS                      |
| eEnergy Management USA Limited          | 100%            | —               | Non-trading Company | United States               | 20 St Thomas Street, London, SE1 9RS                      |
| UtilityTeam US Inc                      | 100%            | —               | Non-trading Company | United States               | 919 North Market Street, Suit 950<br>Wilmington, DE 19801 |

## Officers and advisers

### Directors

**Non-Executive Chairman**

David Nicholl

**Chief Executive**

Harvey Sinclair

**Chief Financial Officer**

Crispin Goldsmith

**Non-Executive Directors**

Dr Nigel Burton,  
Andrew Lawley,  
Derek Myers,  
Gary Worby

**Company Secretary**

Crispin Goldsmith

**Business address**

20 St Thomas Street  
London SE1 9RS

**Registered office**

20 St Thomas Street  
London SE1 9RS

**Independent auditor**

**PKF Littlejohn LLP**  
15 Westferry Circus,  
Canary Wharf, London E14 4HD

**Nominated adviser and joint broker**

**Singer Capital Markets**  
1 Bartholomew Lane,  
London EC2N 2AX

**Joint broker**

**Canaccord Genuity**  
88 Wood Street,  
London EC2V 7QR

**Legal advisers**

**Fieldfisher LLP**  
Riverbank House  
2 Swan Lane, London EC4R 3TT

**Financial PR**

**Tavistock Communications**  
1 Cornhill,  
London EC3V 3ND



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20 St Thomas Street  
London  
SE1 9RS  
[eenergy.com](http://eenergy.com)