9 March 2021

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

Results for the six months ended 31 December 2020

eEnergy (AIM: EAAS), the leading "Energy Efficiency-as-a-Service" business in the UK and Ireland, providing Light as a Service ("LaaS") under the eLight brand and renewable energy consulting and procurement under the Beond brand, today provides its unaudited results for the six months ended 31 December 2020.

Financial Highlights for the six months ended 31 December 2020:

- Revenue for the enlarged Group up 245% to £6.8 million (H1 2020: £2.0 million)
- Organic revenue up 140% to £4.5 million (H1 2020: £2.0 million)
- eLight gross margin increased by 460 bps to 37.1% (H1 2020: 32.5%)
- Positive operating EBITDA in each business unit
- Profit before exceptional items [(1)] of £0.1 million (H1 2020 loss £1.0 million)
- Cash at bank £2.8 million (30 June 2020: £1.5 million) and net cash (excluding IFRS 16 lease liabilities) of £0.6 million (30 June 2020: £0.1 million).
- Completed placing to new and existing institutional investors for £3.2 million

Operational Highlights:

- The Group's business model has been able to navigate the impact of COVID-19 with new contract wins and accelerated installations in the school holidays
- Number of LED lighting installations completed at schools and businesses in the UK & Ireland almost doubled in H1 2021 to 111 (H1 2020: 57)
- The Group completed two acquisitions in line with its "buy and build" M&A strategy
    - In July 2020, the Group expanded its LaaS offering to Academy and state schools through the acquisition of Renewable Solutions Lighting Ltd ("RSL").
    - In December 2020, eEnergy completed the acquisition of Beond Group Limited ("Beond"), a top 20 UK-based renewable energy consulting and smart procurement business.
- Project funding partner, SUSI Partners AG agreed to provide a dedicated funding facility of up to €15 million for LaaS projects in the Republic of Ireland.
- Agreed an exclusive OEM partnership with Venture Lighting Europe Limited to provide the Group with an eLight branded LED technology solution on exclusive terms.
- Strengthened the Management with appointment of Rob Van Leeuwen as Group Chief Operating Officer in December 2020 and the Board with the appointments of Derek Myers as Chief Innovation Officer in December 2020, and Gary Worby as an Independent Non-executive Director in January 2021.

Harvey Sinclair, CEO of eEnergy, commented:
"The last six months has been transformational for eEnergy which has seen the Group make real progress against its strategic objectives, despite the challenges of the pandemic. We are pleased to have delivered a small inaugural profit, in line with our breakeven guidance. Our core business eLight has begun to scale, almost doubling the number of completed LED installations at schools and businesses compared to the first six months of 2019. Furthermore, the completion of our first acquisition, RSL, has further opened the Academy and State Schools sector in the UK to our Light as a Service offering."

“With growing pressure across all businesses and public sector organisations such as schools and hospitals, to save money and cut their carbon footprint, we expect further acceleration in interest for our Light as a Service offer to grow considerably in the coming years as evidenced by our growing pipeline of opportunities.”

“In addition to sustained organic growth, our goal remains to build an integrated energy management and energy efficiency platform through our “buy and build” M&A strategy. The integration of RSL has been delivered to plan and we took another significant step with the acquisition of Beond in December, which increases the breadth of our offering to customers from energy efficiency through to energy management. We continue to adopt a disciplined approach to assessing future acquisition opportunities and are currently evaluating several interesting opportunities in our pipeline.”

“Our market-leading, diversified offering continues to underpin the Board’s confidence that the Group will deliver strong growth over the next six months compared to the prior period, especially as the impact of the pandemic begins to ease, with the Board continuing to expect the Group to achieve a breakeven net income (before exceptional items) (1) for the full year to 30 June 2021.”

Note: (1) Profit before exceptional items is the profit before and after tax excluding transaction-related costs and share based payment expenses.

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

Contacts:

eEnergy Group plc Harvey Sinclair, Chief Executive Officer Ric Williams, Chief Financial Officer	Tel: +44 20 7078 9564 info@eenergyplc.com www.eenergyplc.com
N+1 Singer (Nominated Adviser and Joint Broker) Justin McKeegan / Mark Taylor / Carlo Spingardi (Corporate Finance) Tom Salvesen (Corporate Broking)	Tel: +44 20 7496 3000
Turner Pope Investments (Joint Broker) Andy Thacker / Zoe Alexander	Tel: +44 20 3657 0050 info@turnerpope.com
SEC Newgate Robin Tozer / Isabelle Smurfit	Tel: +44 7540 106 366 eEnergy@secnewgate.co.uk

About eEnergy Group plc
eEnergy Group plc is a leading "Energy Efficiency-as-a-Service" (EEaaS) business focused on providing its core "Light-as-a-Service" ("LaaS"), to educational and commercial & industrial customers through its eLight and RSL brands in the UK and Ireland. The Group helps businesses and schools switch to LED lighting, typically for a fixed monthly service fee, avoiding any upfront payments.

eEnergy was admitted to AIM in January 2020. The Board's strategy is to develop eEnergy as a broader energy services company and acquire other businesses in the energy management sector. The market in the EU for energy efficiency services was approximately €25 billion in 2017 and is expected to double by 2025.

In December 2020, eEnergy completed the acquisition of Beond Group Limited. Beond is a UK-based renewable energy consulting and procurement business, whose services aim to reduce costs for clients and tackle climate change. Beond's services include provision of clean energy strategy, smart energy procurement, hedging strategies, bill validation, bureau services and market intelligence. However, its key offering is its proprietary platform used to run reverse energy auctions for clients.

eEnergy has been awarded The Green Economy Mark by the London Stock Exchange, which recognises a company's work on sustainability.

https://eenergyplc.com/

Chief Executive's Statement

I am pleased to report that we have been able to deliver strong organic growth in the period and make significant strides with our strategy. We have successfully integrated RSL into the Group and the acquisition of Beond in December 2020 marks an important step in delivering our strategy of developing an integrated energy management group enabling our customers to reduce the cost and environmental impact of their energy use through smart procurement, energy management and a range of energy efficiency solutions.

Group Trading

eEnergy's core business, eLight, which provides "Light as a Service" (LaaS) to schools and businesses in the UK and Ireland, experienced strong organic growth in the period driving a significant improvement in Group's revenue. For the six-month period ended 31 December 2020, the Group generated revenue of £6.8 million, a 245% increase on the equivalent six-month period to December 2019. Organic revenue grew to £4.5 million, a 140% increase on the six months to December 2019. All Group business units reported positive operating EBITDA.

The Group generated a maiden profit before exceptional items [1] of £0.1 million, in line with our previously announced breakeven guidance.

This growth has been driven by increased demand for innovative energy efficiency solutions and a growing awareness of the importance for organisations to reduce their carbon footprint. The Group's LaaS proposition, where customers can fund carbon reduction through the energy savings delivered by installing LED lighting without investing capital upfront, has been especially popular in the education sector. During the period, the Group launched a new Green Energy Initiative to help more UK schools, which are eligible for part but not full Government funding, to reduce carbon emissions and save money by switching to cheaper, more efficient LED lighting. Furthermore, in November, eLight secured a £1 million contract, its largest-ever, to install LED Lighting at four secondary schools for a UK multi-academy trust.

The Group has experienced strong growth within the Academy and state school sector in the UK. This was helped in July by acquiring Renewable Solutions Lighting Ltd ("RSL") which specialises in this area. I'm pleased to report that RSL has been successfully integrated into the eLight operating platform, which has reduced unit costs for RSL and allowed it to offer more competitive pricing to its clients.

Overall, the Group completed 111 LaaS projects, a 95% increase on the six-month period to December 2019. The increased interest from larger schools and multi academy trusts has driven the average contract value of each project up 50% when compared to the equivalent period in the prior year.

Also, the Group is now benefitting from its exclusive OEM partnership with Venture Lighting Europe Limited ("Venture Lighting"), announced in October 2020. Venture Lighting has provided the Group with a white label, eLight-branded, LED technology solution on exclusive terms. An integrated supply chain has also increased operating efficiencies. Venture Lighting holds dedicated stock lines in the UK for eLight, which has meant the Group has avoided supply chain disruption caused by Brexit or COVID-19.

Overall, more competitive technology pricing has helped improve eLight's gross margin for the period by more than 460 bps when compared to the equivalent period in the prior year.

Beond Acquisition

In December, eEnergy completed the acquisition of Beond, a top 20 UK-based renewable energy consulting and smart procurement business, through a mix of consideration shares and a placing to new and existing institutional and other investors, raising gross proceeds of £3.2 million. The integration of the Beond business into the Group is progressing well, and the business has performed as expected to date. As per previous guidance, the acquisition is expected to be materially earnings-enhancing in the first full year of ownership as we introduce energy efficiency services to the Beond client base and build out the capability to offer a wider range of value-added services to Beond's customers.

New Funding Partner

In August eEnergy announced a major agreement with a new project funding partner, SUSI Partners AG ("SUSI"). Under the agreement, SUSI, via its Energy Efficiency Fund II, has provided a dedicated funding facility (the "Facility") to the Group of up to €15 million.

The terms of the Facility provide for SUSI to purchase the future receivables arising from new LaaS projects in the Republic of Ireland across the education sector, other public bodies and a range of commercial sectors. The Facility will cover new projects installed for the next three years or until the Facility has been fully utilised, whichever is earlier. Given the opportunities perceived in the Irish and UK markets, the Group is working with SUSI to develop this agreement into a longer-term funding partnership, beyond the current committed Facility size and with the potential to fund LaaS projects in the UK.

This new funding structure provides the Group with a significantly enhanced competitive advantage relative to the previous funding arrangements. The Facility provides the Group's Irish business with greater flexibility to deploy capital, extend the contract length offered to customers and improves the Group's economics. eEnergy will have control over the implementation and management of contracts and retain an economic interest over the life of each contract, thereby improving returns.

Board and management changes

The Group has continued to strengthen its senior and operational management as it grows both organically and through acquisition.

In December, eEnergy announced the (non-Board) appointment of Rob Van Leeuwen as Group Chief Operating Officer. Rob has 20 years of experience in the energy management sector, specialising in technology platforms and integration. A key focus of Rob will be to work closely with the Beond management team and oversee initiatives to accelerate growth, including enhancing the customer value proposition, growing revenues from existing customers and unlocking operational synergies and target stretch performance in lead generation and sales conversions.

Also in December, Derek Myers, the controlling shareholder of Beond prior to its acquisition by the Group, joined the Board as Chief Innovation Officer. Derek held a range of senior management roles at Beond, from 2015 as CEO. Previously, Derek was the Managing Director of iVentures Capital, an investment vehicle that raised funds to invest in and manage energy market businesses. Mr. Myers has previously worked as a strategy consultant at Accenture and futures trader at Macquarie Bank, trading, inter alia, energy products.

In January 2021, Gary Worby joined the Board as an Independent Non-Executive Director of the Board of the Company and member of the Remuneration Committee. Gary brings considerable strategic experience to eEnergy, having worked in the energy and carbon sector for many years. In his role as an Independent Non-Executive Director, he will support the Board to help build eEnergy into a market-leading integrated energy management and energy savings platform, as well as strengthening the Group's corporate governance. Gary's career has included various executive leadership roles guiding businesses through organic growth and pan-European expansion, acquisitions, and trade sales. He was Managing Director of EnergyQuote JHA, one of the largest pan-European energy consultants with a world-class client base, which Accenture acquired in 2014.

COVID-19 Update and Outlook

The Group's business model has been able to navigate the impact of COVID-19 with new contract wins and accelerated installations during the school holidays. Whilst our pipeline of opportunities continues to grow, the most recent lockdown has inevitably added some additional challenges in delaying customers' decision-making in contracting for new business, which we anticipate will result in an extension to some project timeframes. However, the underlying fundamentals of our market remain very robust and the breadth of applications for our services and our ability to sell more to our growing customer base continues to grow.

The Board remains confident that, with the current and expected contracted forward order book, together with active cross-sell engagement for customers across the eLight and Beond businesses, Group revenue and gross profit remain in-line with its expectations for the full year to 30 June 2021.

The Board expects the Group to achieve a breakeven profit (before exceptional items)(1) for the full year to 30 June 2021.

Furthermore, we will continue to focus on our "Buy and Build" M&A strategy, including (i) the acquisition of established smart energy procurement platform and smart metering & software analytics businesses; (ii) scaling the existing EEaaS business through cross-sell opportunities and moving into Heating-as-a-Service ("HaaS"); and (iii) scaling the Group to benefit from operational efficiencies.

We are currently evaluating several strategic opportunities in our pipeline to build an integrated energy management and energy efficiency platform."

Harvey Sinclair
Chief Executive Officer
9 March 2021

Note: (1) Profit before exceptional items is the profit before and after tax excluding transaction-related costs and share based payment expenses.

Chief Financial Officer's Statement

This is our first interim report since we completed the reverse takeover that created eEnergy in January 2020. We have had a strong start to FY21. We have completed two acquisitions that have enhanced our Energy Efficiency as a Service division and created the foundation for our Energy Management division. The Board is confident for the year ahead and we can evaluate commercial opportunities in the current business environment.

Financial position and liquidity

We successfully completed our second placing of 2020 in December and raised gross proceeds of £3.2 million, primarily to part fund the acquisition of Beond. At the end of December 2020, we had £2.8 million of cash at the bank. In the month before its acquisition, Beond had drawn two CBILS loans of £0.5 million in aggregate, which are interest free for the first 12 months and for which repayments only start from the first anniversary.

With the December Placing and the issue of shares to the vendors of RSL and Beond we have substantially strengthened our balance sheet and increased our net assets to £8.0 million (30 June 2020 net liabilities of £1.8m).

We continue to model a number of potential scenarios that management believe are reasonably likely for the ongoing impact of COVID-19 on our financial performance and cash generation and the Board is confident that the Group has sufficient financial resources and headroom within its debt covenants for the foreseeable future should the worst of these scenarios be realised.

The Board continues to monitor and actively manage our cash position in the ordinary course.

Financial overview

Energy efficiency as a Service (eLight) – UK

In the face of challenging market conditions, we have delivered 570% revenue growth in the UK to £4.9 million in the six months ended 31 December 2020. This includes RSL, which was acquired on 1 July 2020 and reflects both an increase in the number of projects completed (59 compared to 21 in the equivalent period of the prior year) as well as an increase in the average size of each project. Organic revenue growth was 280% over the equivalent period of the prior year.

Energy efficiency as a Service (eLight) – Ireland

The impact of COVID-19 has continued to be more severe in Ireland than in the UK and we have received ongoing support from the Irish government for our staff. Despite the market conditions, revenue grew 40% to £1.7million in the six months ended 31 December 2020, driven by our entry into the Northern Ireland school market and by the project funding in place with SUSI, which increases our share of the total contract value.

Energy Management

These Group results include the trading for Beond from Completion in 15 December 2020 up to the period end. Beond performed strongly in its final quarter of 2020 and has contributed £162,000 of revenue and an operating EBITDA of £25,000 to the results for the six-month period ended 31 December 2020.

Working capital

The increase in trade and other receivables to £3.5 million (30 June 2020: £1.1 million) primarily reflects the volume of LaaS projects that were installed and recognised as revenue in December and the inclusion of the Beond balances at the end of December. There is a broadly equivalent and offsetting increase in trade and other payables to £6.7 million (30 June 2020: £4.0 million).

Borrowings and lease liabilities

During the six-month period ended 31 December 2020 we drew down a further €275,000 under the eLight loan facility, received a £50,000 Bounce back loan for one of our operating companies and included £532,000 of bank loans that Beond had drawn.

The Group's lease liabilities increased to £1.3 million (30 June 2020: £0.6 million) as a result of recording the lease for Beond's office under IFRS 16, together with the equal and opposite Right of Use asset.

Acquisitions

In July we completed the acquisition of RSL. Since acquisition RSL has traded strongly and slightly ahead of our expectations. We have integrated operational delivery of RSL's projects into the eLight operating platform and have seen the benefit in the project margins. Contingent consideration of up to 16 million eEnergy shares is payable based upon RSL's EBITDA in the first year exceeding £296,000 and we have recorded the value of that consideration at acquisition at £1.4 million.

In December we completed the acquisition of Beond, which forms the foundation of our Energy Management business, to complement our Energy Efficiency platform. As noted above Beond has made a positive contribution to these results. The Beond acquisition was completed on 15 December 2020 although the compulsory purchase mechanism for a small number of minority shareholders was completed, post the period end, on 14 January 2021.

Ric Williams
Chief Financial Officer
9 March 2021

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the six-month period ended 31 December 2020

	Period to 31 December 2020 £'000	Period to 31 December 2019 £'000	Year to 30 Jun 2020 £'000
Continuing operations			
Revenue from contracts with customers	6,767	1,959	4,501
Cost of sales	(4,182)	(1,323)	(2,913)
Gross profit	2,585	636	1,588
Operating expenses	(3,198)	(1,543)	(4,433)
Included within operating expenses are:			
- Reverse acquisition expenses	-	-	1,320
- Other exceptional items	985	39	-
Adjusted operating expenses	(2,213)	(1,435)	(3,113)
Adjusted earnings before interest, taxation, depreciation and amortisation	372	(868)	(1,525)
Earnings before interest, taxation, depreciation and amortisation	(613)	(907)	(2,845)
Depreciation	(63)	(36)	(72)
Finance costs	(212)	(113)	(277)
Loss before taxation	(888)	(1,056)	(3,194)
Income tax	-	-	-
Loss for the year from continuing operations attributable to the owners of the company	(888)	(1,056)	(3,194)
Other comprehensive income – items that may be reclassified subsequently to profit and loss			
Translation of foreign operations	49	113	(82)
Change in fair value of other current assets	43		
Total other comprehensive income (loss)	92	113	(82)
Total comprehensive loss for the year attributable to the owners of the company	(796)	(943)	(3,276)
Basic and diluted loss per share from continuing operations	(0.58)p	(1.20)p	(2.96)p

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CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2020

	As at 31 December 2020 £'000	As at 30 June 2020 £'000
NON-CURRENT ASSETS		
Property, plant and equipment	108	130
Intangible assets	11,333	211
Right of use assets	1,203	538
Total non-current assets	12,644	879
Other current assets	228	-
Inventories	348	356
Trade and other receivables	3,545	1,073
Financial assets at fair value through profit or loss	161	414
Cash and cash equivalents	2,823	1,478
Total current assets	7,105	3,321
TOTAL ASSETS	**19,749**	**4,200**
NON-CURRENT LIABILITIES		
Lease liabilities	1,048	506
Borrowings	1,629	1,120
Total non-current liabilities	2,677	1,626
CURRENT LIABILITIES		
Trade and other payables	6,660	3,955
Deferred and contingent consideration	1,566	-
Lease liabilities	237	76
Borrowings	592	304
Total current liabilities	**9,055**	**4,335**
TOTAL LIABILITIES	**11,732**	**5,961**
NET ASSETS (LIABILITIES)	**8,017**	**(1,761)**
EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT		
Issued share capital	16,053	15,725
Share premium	32,449	22,375
Other reserves	297	82
Reverse acquisition reserve	(35,246)	(35,246)
Foreign currency translation reserve	(66)	(115)
Accumulated losses	(5,470)	(4,582)
TOTAL EQUITY	**8,017**	**(1,761)**

CONSOLIDATED STATEMENTS OF CASHFLOWS

For the six-month period ended 31 December 2020

	Period to 31 December 2020 £'000	Period to 31 December 2019 £'000	Year to 30 June 2020 £'000
Cash flow from operating activities			
Operating loss – continuing operations	(888)	(1,056)	(3,194)
Adjustments for:			
Depreciation	63	35	72
Finance cost (net)	131	-	277
Share issue to settle expenses	-	-	100
Share option charge	172	-	8
Finance charge on lease liabilities	34	26	53
Foreign exchange movement	10	-	(14)
Reverse acquisition expense	-	-	1,052
Operating cashflow before working capital movements	(478)	(995)	(1,646)
Decrease / (increase) in trade and other receivables	(1,652)	23	(998)
(Decrease) / increase in trade and other payables	1,344	(154)	1,236
(Decrease) / increase in inventories	10	(116)	(187)
Decrease / (increase) in deferred income	(140)	116	-
Net cash (outflow) inflow from operating activities	(916)	(1,126)	(1,595)
Cash flow from investing activities			
Cash acquired on acquisition of business	1,218	62	105
Cash from exercise of options in acquired business	521	-	-
Cash paid to acquire subsidiaries	(2,395)	-	-
Proceeds from disposal of subsidiary	-	-	150
Purchase of property, plant and equipment	(122)	(51)	(82)
Net cash (outflow) inflow from investing activities	(778)	11	173
Cash flows from financing activities			
Interest (paid) received	(131)	-	(225)
Repayment of lease liabilities	(41)	(19)	(40)
Net proceeds from the issue of shares	2,985	47	1,664
Proceeds from loans and borrowings	299	1,269	1,342
Net cash inflow from financing activities	3,112	1,297	2,741
Net increase in cash and cash equivalents	1,418	182	1,319
Effect of exchange rates on cash	(73)	36	14
Cash and cash equivalents at the start of the period	1,478	134	145
Cash and cash equivalents at the end of the period	2,823	352	1,478

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six-month period ended 31 December 2020

	Share Capital	Share Premium	Reverse Acqn. Reserve	Other Reserves	Foreign Currency Reserve	Accum. Losses	Total Equity
	£'000	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**
At 1 July 2020	**15,725**	**22,375**	**(35,246)**	**82**	**(115)**	**(4,582)**	**(1,761)**
Other comprehensive loss	-	-	-	-	49	-	49
Revaluation of other assets	-	-	-	43	-	-	43
Loss for the period	-	-	-	-	-	(888)	(888)
Total comprehensive loss for the year attributable to equity holders of the parent	-	-	-	43	49	(888)	(796)
Shares issued during the year	328	10,301	-	-	-	-	10,629
Share based payments		-	-	172	-	-	172
Cost of share issue		(227)	-	-	-	-	(227)
Total transactions with owners	328	10,074	-	172	-	-	10,574
Balance at 31 December 2020	**16,053**	**32,449**	**(35,246)**	**297**	**(66)**	**(5,470)**	**8,017**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six-month period ended 31 December 2019

	Share Capital	Foreign Currency Reserve	Accum. Losses	Total Equity
	£'000	**£'000**	**£'000**	**£'000**
At 1 July 2019	**18**	**(34)**	**(1,388)**	**(1,404)**
Other comprehensive loss	-	113	-	113
Loss for the period	-	-	(1,056)	(1,047)
Total comprehensive loss for the period attributable to equity holders of the parent	-	113	(1,056)	(934)
Shares issued during the period	47	-	-	47
Total transactions with owners	47	-	-	47
Balance at 31 December 2019	**65**	**79**	**(2,444)**	**(2,300)**

SELECTED NOTES TO THE FINANCIAL INFORMATION

For the six-month period ended 31 December 2020

1 Basis of preparation

The condensed consolidated interim financial statements of eEnergy Group plc (the "Group") for the six-month period ended 31 December 2020 have been prepared in accordance with Accounting Standard IAS 34 Interim Financial Reporting.

The interim report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2020, which was prepared under International Financial Reporting Standards (IFRS) as adopted by the European Union (EU), and any public announcements made by eEnergy Group plc during the interim reporting period and since.

These condensed consolidated interim financial statements do not constitute statutory accounts as defined in Section 434 of the Companies Act 2006. The Group's statutory financial statements for the year ended 30 June 2020 prepared under IFRS have been filed with the Registrar of Companies. The auditor's report on those financial statements was unqualified and did not contain a statement under Section 498(2) of the Companies Act 2006. These condensed consolidated interim financial statements have not been audited.

Basis of preparation – going concern

The interim financial statements have been prepared under the going concern assumption, which presumes that the Group will be able to meet its obligations as they fall due for the foreseeable future.

At 31 December 2020 the Group had cash reserves of £2,823,000 (30 June 2020: £1,478,000; 31 December 2019: £352,000).

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 of at least 12 months from the date of approval of the interim financial statements. The eEnergy group meets its working capital requirements from its cash and cash equivalents and its loan facilities, which are secured by a debenture over the trading subsidiaries of eLight and the assets of the relevant borrowing entities.

The Directors note that COVID-19 has had a significant negative impact on the global economy and has resulted in some of the Group's clients and prospects delaying orders. Since the lockdown restrictions started to be lifted the Group has seen a strong rebound of orders and the Directors expect the Group to trade strongly over the foreseeable future. Having prepared budgets and cash flow forecasts covering the going concern period which have been stress tested for the negative impact of possible scenarios from COVID-19, the Directors believe the Group has sufficient resources to meet its obligations for a period of at least 12 months from the date of approval of these financial statements. Discretionary expenditure will be curtailed, if necessary, in order to preserve cash for working capital purposes and ensure compliance with covenants.

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 interim financial statements do not reflect any adjustments that would be required if they were to be prepared other than on a going concern basis.

Accounting policies

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period. Accounting policies that were not relevant in the previous financial year but are now applicable to the Group are set out below.

1.1. 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.

1.2. Other current assets

Other current assets are digital assets, including tokens and cryptocurrency, which do not qualify for recognition as cash and cash equivalents or financial assets, and have an active market which provides pricing information on an ongoing basis. Other current assets are initially measured at fair value. Subsequent gains and losses on measurement are recognised in other comprehensive income except for impairment losses which are recognised directly in profit or loss. This treatment is consistent with the revaluation model applied to intangible assets in accordance with IAS 38. Where a digital asset is disposed of, the cumulative gain or loss previously recognised in other comprehensive income is reclassified to other operating income or expense within profit or loss. Digital assets are included in current assets as management expect them to be used within the normal operating cycle or otherwise disposed of.

1.3. New and amended standards adopted by the group

A number of new or amended standards became applicable for the current reporting period. These new/amended standards do not have a material impact on the Group, and the Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting these standards.

3. SEGMENT REPORTING

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

The Chief Operating Decision Maker is the Board of Directors. The Board reviews the Group’s internal reporting in order to assess performance of the Group. Management has determined the operating segment based on the reports reviewed by the Board.

The Board considers that during the six-month period ended 31 December 2020 the Group operated in two business segments, the Energy Management segment entered with the acquisition of Beond on 15 December 2020 and the Energy Efficiency as a Service segment, which predominantly comprises of LED lighting solutions. Prior to the acquisition of Beond the Group operated in the single segment of Energy Efficiency as a Service.

	Energy Mgmt	**Energy Efficiency**			**Total**
2020	**United Kingdom £'000**	**United Kingdom £'000**	**Ireland £'000**	**Central £'000**	**2020 £'000**
Revenue	162	4,881	1,724	-	6,767
Cost of sales	(28)	(3,341)	(813)	-	(4,182)
Gross Profit	134	1,540	911	-	2,585
Operating expenses	(109)	(1,109)	(477)	-	(1,695)
Operating EBITDA	25	431	434	-	890
Central management costs	-	-	-	(518)	(518)
Depreciation	(10)	(3)	(43)	(7)	(63)
Finance and similar charges	(6)	(22)	(20)	(164)	(212)
Profit before exceptional items	**9**	**406**	**371**	**(689)**	**97**
Exceptional items	-	-	-	(985)	(985)
Profit (loss) before and after tax	9	406	371	(1,674)	(888)
Net Assets					
Assets:	3,245	2,420	3,735	10,349	19,749
Liabilities	(2,132)	(2,613)	(4,355)	(2,631)	(11,732)
Net assets (liabilities)	1,113	(193)	(620)	7,717	8,017

2019	**United Kingdom £'000**	**Ireland £'000**	**Central £'000**	**2019 £'000**
Revenue	727	1,232	-	1,959
Cost of sales	(485)	(838)	-	(1,323)
Gross Profit	242	394	-	636
Operating expenses	(394)	(755)		(1,149)
Operating EBITDA	(152)	(361)	-	(513)
Central management costs	-	-	(355)	(355)
Depreciation	(1)	(34)	(1)	(36)
Finance and similar charges	-	-	(113)	(113)
Profit before exceptional items	(153)	(395)	(469)	(1,017)

Exceptional items	-	-	(39)	(39)
Loss before and after tax	(153)	(395)	(508)	(1,056)
Net Assets				
Assets:	239	1,303	352	1,894
Liabilities	(470)	(2,364)	(1,360)	(4,194)
Net assets (liabilities)	(231)	(1,061)	(1,008)	(2,300)

4. EXCEPTIONAL ITEMS

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

	Period to 31 December 2020 £'000	Period to 31 December 2019 £'000	Year to 30 June 2020 £'000
Reverse acquisition expenses	-	-	1,320
Acquisition expenses	813	39	-
Share based payment expense	172	-	-
Total exceptional expenses	985	39	1,320

The Reverse acquisition expenses were incurred in bringing eEnergy to the AIM market through the Reverse Takeover in January 2020. Acquisition expenses are professional fees incurred in completing the acquisitions described in Note 10. The share based payment charge reflects the non-cash cost of the Management Incentive Plan awards made on 7 July 2020 that are being amortised over the three year vesting period.

5. EARNINGS PER SHARE

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

	Period to 31 December 2020	Period to 31 December 2019	Year to 30 June 2020
Loss for the year from continuing operations – £	888,000	1,056,000	3,194,000
Weighted number of ordinary shares in issue	152,632,932	[87,651,000]	108,080,337
Basic earnings per share from continuing operations – pence	(0.58)	(1.20)	(2.96)

There is no difference between the diluted loss per share and the basic loss per share presented. 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 as they are anti-dilutive for the periods presented.

6. PROPERTY, PLANT AND EQUIPMENT

	Property, plant & equipment £'000	Computer equipment £'000	Total £'000
Cost			
At 1 July 2020	107	70	177
Additions on acquisition	154	11	165
Additions in the period	-	88	88
Transfer to intangibles	-	(144)	(144)
At 31 December 2020	261	25	286
Depreciation			
At 1 July 2020	39	8	47
Additions on acquisition	104	10	114
Charge for the period	20	10	30
Transfer to intangibles		(13)	(13)
At 30 June 2020	163	15	178
Cost			
At 1 July 2019	93	2	95
Additions in the period	43	4	47
At 31 December 2019	136	6	142
Depreciation			
At 1 July 2019	20	-	20
Charge for the period	15	1	16
At 31 December 2019	35	1	36
Net book value 31 December 2019	101	5	106
Net book value 31 December 2020	98	10	108

7. INTANGIBLE ASSETS

	Goodwill £'000	Other intangibles £'000	Total £'000
Cost			
At 1 July 2020	211	-	211
Additions in the period	10,958	33	10,991
Transfer from PP&E	-	131	131
At 31 December 2020	11,169	164	11,333
Cost			
At 1 July 2019	211	-	211
Additions in the period	-	-	-
At 31 December 2019	211	-	211

8. RIGHT OF USE ASSETS

	Property, plant & equipment £'000	Motor vehicles £'000	Total £'000
Net book value			
At 1 July 2020	477	61	538
Additions on acquisition	710	-	710
Less depreciation	(22)	(14)	(36)
Impact of foreign exchange	(8)	(1)	(9)
At 31 December 2020	1,157	46	1,203
Net book value			
At 1 July 2019 (on adoption)	492	30	522
Additions in the period	-	-	-
Less depreciation	(12)	(6)	(18)
Impact of foreign exchange	-	-	-
At 31 December 2019	480	24	504

9. BORROWINGS

	31 Dec 2020 £'000	30 June 2020 £'000	31 Dec 2019 £'000
Current			
Borrowings – facility	534	304	91
Borrowings – bank loans	58	-	-
	592	304	91
Non-current			
Borrowings – facility	1,065	1,120	1,226
Borrowings – bank loans	564	-	-
	1,629	1,120	1,226

During the six months to 31 December 2020, eLight Group Holdings borrowed a further €275,000 in addition to the €1,556,000 borrowed during the year to 30 June 2020. The terms of the loan are as disclosed in the 30 June 2020 financial statements.

During the six months to 31 December 2020 the Group drew down an unsecured £50,000 Bounce Back loan for one of its subsidiaries. The Bounce Back loan is interest free for the first twelve months and is then repaid in instalments over the following six years. The interest rate on the Bounce Back loan is 2.5% per annum. In addition at acquisition Beond had a term loan of £48,000 and CBILS loans of £484,000 both of which are secured over the assets of Beond. The CBILS loans are interest free for the first twelve months and are then repaid in instalments over the following five years. The interest rate on the CBILS loans is 3.4% per annum.

Maturity of the borrowings as at 31 December 2020 are as follows:

	£'000
Current	592
Due between 1-2 years	732
Due between 2-5 years	805
Due beyond 5 years	92
	2,221

10. BUSINESS COMBINATIONS

Renewable Solutions Lighting Limited

On 1 July 2020 the Company completed the acquisition of all of the share capital of Renewable Solutions Lighting Limited ("RSL").

RSL specialises in providing the UK education sector with fully funded LED lighting solutions.

The total consideration for the acquisition, assuming all earn-out payments are made, will be £2.0 million. The consideration, to be paid entirely in new eEnergy shares, is structured as follows:

- Initial consideration, paid on completion, was satisfied by the issue of 13.3 million new ordinary shares of eEnergy with a market value at issue of £783,000;
- Contingent consideration, payable after one year, will be satisfied by the issue of up to 16.0 million new ordinary shares of eEnergy. The number of shares to be issued is 80,000 new shares for each £1,000 of adjusted EBITDA in excess of £296,000 generated by RSL.

In addition to the consideration payable, RSL will make payments equal to 3% of revenue generated during the earn-out period to an RSL director as settlement of historical obligations agreed between RSL and the director plus RSL will repay an existing loan of £250,000 due to an RSL director. £130,000 was paid on completion and £120,000 will be paid on the first anniversary of completion.

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

	£'000
Property, plant and equipment	2
Cash at bank	11
Inventory	7
Trade and other receivables	81
Trade and other payables	(625)
Total identifiable net assets (liabilities) acquired	(524)
Goodwill	2,761
Consideration	
Initial consideration (recorded at the market value of the shares issued)	783
Stamp duty on purchase of shares paid in cash	10
Contingent consideration	1,444
Total consideration	2,237

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.

The value of the contingent consideration has been estimated based on the expected number of shares that will be issued multiplied by the weighted average expected share price on the date it is satisfied.

The initial accounting for the acquisition of RSL is incomplete as at the date of these financial statements given the short period of time since the acquisition was completed.

Beond Group Limited

On 15 December 2020 the Company completed the acquisition of Beond Group Limited ("Beond").

Beond specialises in renewable energy consulting and procurement with operations in the UK.

The total consideration for the acquisition (which included £0.7m of surplus cash in the business) is approximately £2.4m in cash and the issue of 64.9 million new eEnergy shares. 63.8 million shares were issued on 15 December 2020 ("Completion") and a further 1.2 million shares following the completion of the compulsory purchase of the remaining minority interest on 14 January 2021.

There is no further consideration due.

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

	£'000
Property, plant and equipment	41
Other assets	185
Cash at bank	1,207
Inventory	-
Trade and other receivables	1,005
Prepayments	215
Trade and other payables	(1,721)
Total identifiable net assets (liabilities) acquired	933
Goodwill	8,207
Consideration	
Cash paid	2,385
Shares issued (recorded at the market value at Completion)	6,755
Total consideration	9,140

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.

The initial accounting for the acquisition of Beond is incomplete as at the date of these financial statements given the short period of time since the acquisition was completed.

11. RELATED PARTY TRANSACTIONS

Ian McKenna is a director of eLight Projects Limited ("MPL") and E-Light Solutions DAC ("Solutions"). MPL was the principal customer of the Group in Ireland up to February 2020 and paid the Group to provide LaaS solutions to its customers. During the period ended 31 December 2020 the Group credited back to MPL €163,000 (net) (H1 20: €276,000 earned from MPL) and had net balances owing to MPL, of €402,000. During the same period the Group provided services to Solutions totalling €60,000 (H1 20: €60,000) and purchased services from Solutions totalling €35,000 (2019: €161,000). At the period end the Group owed Solutions €671,000 (2019: €737,000).

Key management personnel are considered to be the Board of Directors. The remuneration of the Board of Directors is described in the 30 June 2020 annual report.

12. POST BALANCE SHEET EVENTS

There were no material post balance sheet events requiring disclosure.