Half-Year Report 2022

Good Energy Group PLC

Un-audited Half Year Report for the 6 months ended 30 June 2022

20 September 2022

Good Energy Group PLC ("Good Energy" or "the Company")
Un-audited interim results for the 6 months ended 30 June 2022

Resilient financial performance and investing in growth strategy

Good Energy, the 100% renewable electricity supplier and innovative energy services provider, today announces its interim results for the six months ended 30 June 2022.

Highlights

- A resilient financial performance, despite ongoing and significant pressures from commodity markets
- The Company remains substantially debt free with a strong cash and cash equivalents position of £22.2m at the end of August 2022.
- Supply business well hedged for winter 2022 having incrementally hedged throughout the year, a strategy that will continue into 2023.
- Continued investment in strategic vision including new generation product development, innovative business supply products and further investment into Zap-Map through a successful £9m series A fundraise with Fleetcor, valuing Zap - Map at £26.3m on a post money equity value.
- As previously announced, the Company has shifted its capital allocation towards growth and investment, whilst maintaining a strong balance sheet as a buffer to the ongoing volatile wholesale energy markets. An interim dividend of 0.75p has been declared for the period.

Financial performance for the six months to 30 June 2022

Period ended **£m***	**H1 2022** **Underlying continued operations**	**HY 2022** **Non underlying**	**H1 2022** **Reported**	**H1 2021** **Reported**
Revenue	**£107.6m**		**£107.6m**	**£68.4m**
Gross Profit	**£12.2m**		**£12.2m**	**£17.7m**
Administration costs	**£(12.7)m**		**£(12.7)m**	**£(11.8)m**
Operating profit	**£(0.5)m**		**£(0.6)m**	**£5.9m**
Net finance costs	£(0.2)m		£(0.2)m	£(1.2)m
Profit before tax	**£(0.7)m**		**£(0.7)m**	**£4.8m**
Taxation	£1.0m		£1.0m	£(1.6)m

Profit from continuing operations	**£0.3m**		**£0.3m**	**£3.2m**
Profit from discontinued operations, before tax	£0.0m		£0.0m	
Tax on discontinued operations	£0.4m		£0.4m	
Profit for the period	**£0.8m**		£0.8m	
Cash and cash equivalents	**£21.7m**		£21.7m	**£9.0m**
Basic (loss) / earnings per share (p)	**7.4p**		7.4p	**20.5p**
Half Year dividend per share (p)	**0.75p**		0.75p	**0.75p**

Financial highlights – continuing operations

- Revenue increased 57.4% to £107.6m (HY 21: £68.4m) driven by significant price rises throughout the year in response to rising wholesale costs. As price rises lag commodity price increases, this is expected to be a phasing impact in the medium term.

- Gross profit decreased by 31.1% to £12.2m (HY 2021: £17.7m) with a gross profit margin of 11.4% (HY 2021: 25.9%). H1 2021 benefited from commodity procurement during COVID.

- Underlying loss before tax of £0.7m (HY 2021: profit £4.8m) includes a loss of £0.8m in relation to Zap-Map's financial performance. Following the recent funding round, Zap-Map will be deconsolidated from full year PBT figures, H1 2022 included a loss of £0.8m for Zap-Map.

- Reported profit after tax for the period of £0.8m (HY 2021: £3.2m),

- Reported earnings per share of 7.4p (HY 2021: 20.5p).

- Sale of generation assets completed in January 2022 for total consideration of £21.2m. The company is now debt free on a net basis.

- Sale proceeds continue to provide a balance of growth capital and buffer against continued volatile wholesale energy prices. Cash and cash equivalents at the end of August 2022 was £22.2m.

Operational highlights

- Good Energy has delivered a resilient performance in the first half of 2022 with continued investment across the business supporting the journey to a zero-carbon Britain.
    - Smart meter rollout progressing well, with over 36,800 and 43% of customer smart meters installed to date, with over 10,000 installed in 2022. We remain on target to

    install over 13,000 this year, increasing the total to 40,000 and 47% of our customer base by the end of 2022.

  - New product launched for businesses, matching their supply demands directly with generators. This reduces our exposure to wholesale markets and allows our customers to know the exact provenance of the renewable energy.
  - Two market leading billing platforms integrated. Kraken and Ensek offering an enhanced digital service for customers. Delivering an 'Excellent' 4.6* rating on Trust Pilot.
  - Resilient business practices offering stability in the face of wholesale market pressures.

- Zap-Map successfully completed a £9m Series A fundraising, valuing Zap-Map at £26.3m post money equity value, including investment from Fleetcor and Good Energy.
  - The funds raised are expected to fuel the expansion of Zap-Map's development team to deliver its product roadmap and could pave the way for Zap-Map's international expansion.
  - Zap-Map registered users increased 105% to 455,000, reflecting continued strong growth in electric vehicle uptake. Mapping data includes 95% of the UK's public charging points on its network. Over 75% of the UK's EV drivers have downloaded Zap-Map.
  - Zap-Pay rollout continuing at pace, with nine charge point operators and 25% of the rapid charging market signed to date.
  - Subscription service launched in June 2021. Good levels of customer conversion experienced particularly from new EV drivers, particularly for annual subscriptions.
  - Fleet service EV fuel card with Fleetcor UK (Allstar Business solutions) launched in March 2022.
  - Good Energy made an initial £1.08m investment in Zap – Map in 2019 for a 50.1% equity stake. Subsequent investment of £1m via a convertible loan was made in 2021, followed by a further £3.7m in the recent Series A round. Total investment made by Good Energy to date of £5.7m. Good Energy now hold a 49% stake in Zap – Map. Following the £9m series A investment, including £5.3m from Fleetcor, Zap – Map is now valued at £26.3m on a post money equity value.
- Customer numbers increased marginally in 2022, with a focus on collections and long-term relationships.
  - Overall Good Energy customer numbers increased by 0.8% to 276.9k.
  - Domestic customers increased 2.6% to 86.6k.
  - Business customers decreased 10.0% to 9.8k
  - Feed in tariff (FiT) customers increased 0.7% to 180.5k

    - Zap-Map total registered users increased 105% to 455,000 (June 21: 221k users).

Outlook Highlights

- Robust platform for future growth and resilience. Substantially debt free with a strong cash and cash equivalents position of £22.2m as at the end of August 2022. Enables continued investment across the business and provides sufficient working capital to support our continued resilience to industry-wide headwinds.
- We expect the introduction of the Energy Bill Support Scheme to minimise the impact of the rising forward prices over the medium term for customers.
- Innovative new payments product for generators remains on track to launch in Q4 2022. A key step for generators combatting the ongoing energy crisis.
- Whilst there will inevitably be pain for customers, we are well positioned to help those customers wishing to go green and have the services to generate, consume, share and store fully renewable power.
- The Company will invest across energy services through a clear buy and build strategy.
- We see returns being driven primarily from a combination of organic growth and acquisitions. M&A will be targeted primarily on accelerating our capability in decentralised energy services and we look forward to updating the market on this as we are in a position to execute.

Nigel Pocklington, Chief Executive Officer of Good Energy, said:
"The global energy crisis is escalating further. Russia's stranglehold on gas supplies to Europe has been magnified by further shortages and uncertainty, driving energy prices in the UK to fresh highs. We have been vocal in stating that the only solution in the short term is Government support and demand reduction, with an accelerated roll out of renewables in the medium to longer term. We are now pleased to see the Government take meaningful steps to help customers through winter and beyond.

"Over the past 12 months, the rising cost of energy, multiple supplier failures and everyday consumers having to pick up the bill only serves to highlight a greater need for renewables to play a vital role in our long-term energy strategy. Not only will a shift to cleaner, local electricity sources cut the UK's carbon, it will cut the UK's ties to fossil fuel driven global markets. As a trusted leader in local, decentralised clean power, Good Energy's core purpose has never been more relevant.

"Despite the pressures of the wider market, I am pleased with the resilient performance and continued delivery on our growth strategy during the period. We remain a substantially debt free business with a strong balance sheet, which is of benefit to all our stakeholders, and have taken tangible steps to invest in our future, in both new products for solar customers and supporting Zap-Map's growth by powering electric vehicle drivers.

Demand for clean energy products like solar, storage and electric vehicles is soaring as customers look to cut costs and gain control of their energy. Our mission to help one million homes and *businesses cut carbon from their energy and transport use by 2025, and supporting the growth of renewable generation, has never been more needed."*

Enquiries

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About Good Energy www.goodenergy.co.uk

Good Energy is a supplier of 100% renewable power and an innovator in energy services. It has long term power purchase agreements with a community of 1,700 independent UK generators.

Since it was founded 20 years ago, the Company has been at the forefront of the charge towards a cleaner, distributed energy system. Its mission is to power a cleaner, greener world and make it simple to generate, share, store, use and travel by clean power. Its ambition is to support one million homes and businesses to cut carbon from their energy and transport used by 2025.

Good Energy is recognised as a leader in this market, through green kite accreditation with the London Stock Exchange, Which? Eco Provider status and Gold Standard Uswitch Green Tariff Accreditation for all tariffs.

About Zap-Map www.zap-map.com

Launched in June 2014, with a mission to accelerate the shift to electric vehicles (EV) and help the drive towards zero carbon mobility, Zap-Map is the UK's leading EV mapping service. The charging point map, available on desktop and iOS/Android apps, helps EV drivers to search for available charge points, plan longer journeys, pay for charging on participating networks and share updates with other drivers.

Zap-Map currently has more than 420,000 registered users and over 95% of the UK's public points on its network, with around 70% being updated with live availability status data. More than 220,000 EV drivers use Zap-Map each month out of an EV parc of 520,000,000 (SMMT June 2022).

CEO review

Overview

Good Energy’s mission to help combat the climate crisis is now intertwined with combatting the energy crisis. I wrote in March that in the second half of 2021 we had begun to see largely unprecedented and structural changes to the UK energy landscape. Throughout 2022 we have seen this trend continue, exacerbated by Russia’s attack on Ukraine. Since then, the energy crisis in the UK and across Europe has deepened and brought energy to the forefront of the national conversation. Energy security, energy independence, inflation and the cost-of-living are driving headlines daily.

We are now experiencing one of the most exceptional financial periods in post war history, with surging energy prices driving near record levels of inflation. Coupled with global post pandemic supply chain issues, it is creating the conditions to send us towards the nadir of stagflation. Wholesale energy prices have increased significantly and are now 120% higher than this time 12 months ago.

The need for strong Government support to avoid a deeper, longer lasting impact of this cost-of-living crisis has never been more important. It should not be down to the UK’s consumers and businesses to pay the cost of a war on energy. On 8 September the government announced substantial further package of measures to combat consumer energy prices alongside plans to do the same for businesses. The Energy Price Guarantee is a unit rate discount that supersedes the existing energy price cap, applicable to all households from 1 October which will in addition to the £400 Energy Bill Support Scheme retain prices at a similar level to current over the winter period.

These unprecedented times are likely to drive accelerated systemic changes, both in macro support and energy policies and we anticipate that these actions will accelerate an acceptance of green technologies. We believe that now is the time to invest. Now is the time to take bold action.

Navigating the energy crisis with resilience and investing for growth

Despite rising wholesale prices, a raft of suppliers exiting the market and significant operational changes, we have continued to operate successfully. I remain proud of the way our business has reacted to these unprecedented events. We are trading in line with our expectations and the activities undertaken during the period mean that we remain in good financial health, being substantially debt free with a strong cash balance.

Throughout the crisis we have used our flexibility to set appropriate prices and improved cash collection capabilities and systems, leading to a significant year-on-year improvement in collections to mitigate the impact on our business and our management of working capital. We have implemented price rises across domestic and business portfolios in line with increasing costs and carefully managed debt and direct debit collection rates.

Alongside our focus on operational performance, we have continued to invest across our business, to deliver our strategic vision of helping one million homes and businesses cut carbon. To fund this strategy, we completed the transformational sale of our generation portfolio in January, at a premium to book value, which was a landmark moment for Good Energy. The total consideration of £21.4m is being used to accelerate and support further investments across both transport and decentralised energy to deliver Good Energy's strategic plan, as well as to provide sufficient working capital to support our continued resilience to industry-wide headwinds.

We have been developing a new platform for our decentralised energy service business which will be the key to unlocking a more digital services led offering. We believe this new product will be a market leading, innovative solution for solar customers. As the only UK energy supplier with more customers exporting their energy through us (via the Feed-in Tariff) than importing it, we are uniquely positioned in this growing market. It will enable Good Energy to pay actual as opposed to deemed rates for exported electricity, providing material benefits to customers. It also acts as a new source of power to match with our supply customers. This is a first in the market which is not currently possible under the Feed-in Tariff.

We also participated in Zap-Map's Series A funding round, in line with our strategy to accelerate the transition to electric vehicles and to provide investors with exposure to this exciting growth market.

Navigating the crisis and making progress on our strategy has only been possible with the support of Good Energy's dedicated and professional team, and the patience of our customers, many of whom have been with the business for several years. I remain acutely aware of the impact of high energy costs on society and for our customers. The longer term needs these events have exposed – for a resilient, renewable and secure energy strategy for the UK, is of course, at the very heart of our mission as a company.

Purpose and strategic vision

Earlier this year we launched our bold vision for the coming years. Our ambition is to support one million homes and businesses cut carbon from their energy and transport use by 2025.

Our mission remains as it always has. To power a cleaner, greener world, by making it simple to generate, share, store, use and travel by clean power.

In order to deliver this bold vision, we will be laser focused on our target markets and service offerings.

<u>Renewable supply business</u>

- Fairly priced, transparent, 100% renewable electricity.

<u>Decentralised energy</u>

- Services to help homes and businesses generate, store, consume and share their own power.

<u>Mobility</u>

- Make it easier to own, drive, fuel and pay for an electric vehicle.

Throughout 2022 we have continued to make good progress on delivering this vision, despite the backdrop of the energy crisis.

Renewable Supply

Our focus is to provide fair priced, transparent, genuine 100% renewable electricity. We are clear that we are not everything for everybody. We offer a premium product and are a trusted provider to help customers choose the right services and feel like they are making an impact on climate change by going green and saving money in the process.

We see this market as one of potential steady and incremental growth over the coming years. It remains the foundation of a green energy services business.

Our 2022 goals for this part of our business are very much focused on stability:

- retention of our customer base
- launching new products for our business customers
- continued improvement of our overall customer service

As a result of the ongoing volatility in the wholesale markets, very little switching has taken place across the domestic market. Suppliers have taken lower cost tariffs off the market while commentators and the regulator have continued to urge caution. Our focus in the first half of the year, which we expect to continue into early 2023, has been on operational stability and financial prudence.

Electricity increased 472% and gas increased 752% year on year (March 2022 vs March 2021). This has continued to rise throughout the year.

As a result, in February 2022 we saw the price cap increase by a significant 54% to £1,971. In August, it was announced this would rise a further 80% to £3,549, a staggering 177% rise on 12 months ago. With further rises planned for the updated price cap in January 2023, the Government has announced plans to take substantial action, applying a universal discount rate to all domestic tariffs to keep the prices customers will pay at a similar level to pre-October.

Although we are not immune from this energy crisis, which has affected everyone from consumers to suppliers, regulators, and government, we have worked hard to insulate ourselves as much as possible. Earlier in the year, we highlighted the impact of incurring additional commodity costs from a higher number of business and domestic customers than expected. We saw this continue over the first months of the year.

Despite the highly volatile wholesale energy prices, we have continued to mitigate against further risks where possible:

- Our electricity purchasing model, which backs all supply with power sourced via direct agreements with renewable generators, brings additional complexity and provides support for renewables above and beyond that offered by other suppliers. But for the same reasons it is the basis for our exemption for the price cap and creates price flexibility.
- We expect this to minimise the impact of the rising forward prices over the medium term. We will continue to monitor the need to increase prices further.
- We expect prices to stabilise, albeit it at a significantly higher level, throughout 2022 and 2023.
- We are 90 per cent hedged for winter 2022 (based on seasonal normal weather patterns), despite the continued market volatility. Our energy trading capabilities remain a core strength. We have a robust hedging policy implemented via dedicated trading function. This has helped us navigate the energy crisis whilst many suppliers have gone out of business.
- We have a clear trading plan and have taken steps going into Winter 2022 including risk of PPA under delivery built into tariffs. We had a clear plan to incrementally purchase power for winter 2022 and are now 90 per cent hedged heading into that period. We are following a similar approach and plan to incrementally increase hedging for Summer 2023.
- Following a record low wind period in Winter 2021, we have adjusted our trading mix to lower exposure to wind. Risk of under delivery is now built into tariffs.
- However, changing regulations continue to make access to trading difficult across the industry

In the business supply market, the rising cost of energy has also forced us to assess the most effective way to serve our customers.

Historically Good Energy, and some other suppliers, have purchased volume from smaller generators via power purchase agreements (PPAs) while at the same time selling volume to customers via supply contracts. The generator volume was either added into the overall hedge position or sold back to the market. The supply contracts volume would have been purchased from the marketplace.

This year we have shifted our business proposition to net generators with supply customers. This means when a generator offers us an amount of power, we try and find a supply customer that wants to buy that volume of power. This provides two benefits:

- It provides customers certainty about the provenance of their renewable supply – they can pinpoint the site(s) where their volume is coming from – whether that's a wind turbine in Suffolk, a solar panel in Cornwall or an anaerobic digestion plant in Scotland.

- It enables Good Energy to diversify where we source our customer's power from, reducing our exposure to purchasing via the marketplace and enabling us to optimise our trading credit lines better.

So far we have matched over 24GWh across 48 of our larger customers.

In summary, we have made good operational progress during the period, which has positioned us well for future growth:

- Green proposition enhanced through accreditations including Which? Eco Provider and Uswitch Green Tariff Gold Standard.
- Our leading customer platforms are delivering improving customer service. All our domestic and business customers are now on Kraken and Ensek. Delivering an 'Excellent' 4.6* rating on Trust Pilot.
- Our smart meter rollout remains on track with 10k installed in 2022 and over 36k, or 43% of our customer base, installed to date. These are key to unlocking energy services products.
- We are also well placed for further trading optimisation and smart tariffs.

The longer-term impact on the UK and European energy markets remains unknown, but a reduction on reliance on Russian gas inevitable. This structural shift in the source of UK energy supply provides a material opportunity to further accelerate our development and deployment of renewable generation.

We are now clear that the days of low prices and aggressive price competition in the energy retail market are unlikely to return in the short or medium term. Whilst there will inevitably be pain for customers, we are well positioned to help those customers wishing to go green and have the services to generate, consume, share and store fully renewable power. We see this market evolving to be increasingly focused less on price competition, but more on trust, purpose and high-quality products and services. We are well aligned with this change in market focus and are well placed to prosper.

Decentralised energy

This strategic focus provides services to allow people and businesses to generate, store, consume and share their own power.

We see this side of our business as a way of gaining market share through innovation and renewed market growth. Home and small-scale generation is growing rapidly as a result of the rising price of energy, with triple the capacity of rooftop solar installed in Q2 2022 compared to the same period in the previous year and UK Google searches for 'solar panels' reaching an all-time high in August 2022.

A key goal for 2022 has been to deliver a smart export product for solar users. This has been progressing well and we expect to launch a first-of-its-kind service in Q4 2022.

This service will reward customers for making the grid greener and is a step towards a more decentralised energy grid. Customers will get paid for what they export, which is an evolution from the current deemed export payment, which is capped at 50% of all generation. This is ideal for homes which generate more than they're able to use, or who can shift load effectively.

As the second largest feed in tariff (FIT) provider, we believe this product will help grow market share as generators look to earn more for what they generate. It also rewards those customers with smart enabled services who can shift load and export at appropriate times, and we earn revenue on each MWh our customers export. It has significant potential to unlock new services and recurring revenue streams to power growth for the future.

We are also focused on securing partnerships and potential acquisitions for solar, storage and clean electrified heating installations, and look forward to updating the market on developments in this area.

Mobility

Our ambition is to make it easier to own, drive, charge and pay for an electric vehicle. We have solutions for all areas an electric vehicle driver needs. We will continue to focus on investing in software and services and look to partner for asset and hardware solutions.

We see this area undergoing rapid growth in the coming years and will be building services for all electric vehicle drivers. Our investment in Zap-Map allows us to have a material impact in this space as they build out a market leading offering.

Zap-Map

Zap-Map delivered a strong 2021 performance and built on that throughout 2022. The Zap-Map team is now focused on scaling up to capitalise on this market leading position.

Zap-Map's product vision is to be the go-to app for electric vehicle drivers, offering the simplest way to find and pay for charging, in the UK and abroad.

Growth will come from being the best place to find bundled charging and aiming to lead the market on payments. Over the medium term, expansion will come from building an as a service business model, enhancing the fleet proposition, expanding data insights further and going international.

Post-period end, in August, we announced the successful completion of a series A fundraise, with Zap-Map raising £9m from Fleetcor and Good Energy at a post money equity value of £26.3m. Our contribution of £3.7m was enabled by the proceeds raised from the sale of our generation assets and is in line with our strategy to build a platform which makes it simple for people to travel with clean power. Zap-Map has a strong role in our three-pronged strategy across clean energy supply, energy services and transport.

Zap-Map is focused on leading the market in terms of EV charging payments and therefore, the involvement of Fleetcor is highly exciting and a strong endorsement of Zap-Map. Fleetcor processes billions of electronic transactions a year, recording annual revenue of $2.8 billion in 2021.

Its strategic investment builds on an existing partnership which sees Fleetcor's Allstar Business Solutions integrated into Zap-Map's Zap-Pay product, which is designed to make EV charging payment simple. Zap-Pay continues to expand quickly, experiencing good levels of customer conversion, particularly from new EV drivers, and is already integrated with nine charging networks, covering 25% of the UK rapid networks.

A significant proportion of the funds raised will be used for the product development but the involvement of Fleetcor will also be beneficial to Zap-Map as it progresses its international expansion strategy.

Zap-Map is well positioned to benefit from future growth in EV ownership. The electric vehicle (EV) market continues to experience a seismic shift with growing demand. EVs are expected to grow from 10% of new car sales in 2020 to 100% by 2030. This would represent over 27% of all UK cars. Throughout this period, we expect a 92% compound annual growth rate (CAGR), with 47% growth expected until 2026.

Zap-Map currently has over 450,000 registered users, and over 95% of the UK's public points on its network. Over 75% of UK EV drivers have downloaded Zap-Map, with growth in Zap-Map downloads more than keeping pace with the rapid growth in the EV market. Growth in users has tracked the growth of the wider electric vehicle market with user numbers up 105% vs June 2021.

Engagement is one of the key metrics for growth. Zap-Map has historically had an early adopter, highly engaged user base. Over 50% of users are monthly active users, a leading indicator of repeat usage. The breadth and depth of the data available to EV drivers is what defines Zap-Map as the market leader in this category.

Another pillar of its expansion strategy is subscriptions services delivering recurring revenues to the group. Zap-Map has already rolled out a subscription model to provide high usage drivers with improved services and uptake of the annual subscription has continued to rise. Alongside direct to registered users conversion, we see bundling as an effective route to market.

In September 2021, Good Energy and Zap-Map launched the first electric vehicle driver tariff with Zap-Map subscriptions bundled in. Bundled services will be a key part of our growth strategy going forward and we will continue to seek out partnerships with car manufacturers and parking operators providing another revenue growth channel. Our ambition is to leverage our relationship with Zap-Map to drive additional value add services for customers and maintain longer lasting relationships.

Capital allocation and outlook

We continue to invest for sustainable growth and our capital allocation policy will reflect this. We are maintaining our dividend while also delivering on our growth strategy.

We see returns being driven primarily from a combination of organic growth and acquisitions. M&A will be targeted primarily on accelerating our capability in decentralised energy services and we look forward to updating the market on this as we are in a position to execute.

Naturally, we will also be focused on ensuring stability in existing business, driving sustainable growth to withstand external shocks. While growth is expected through our new decentralised energy services platform, due to go live in Q4 2022, we are well prepared for ongoing volatility, being 90 per cent hedged for seasonal normal weather conditions for winter 2022 and our trading mix has been adjusted to lower our exposure to wind. Also, while changing regulations continue to make access to trading difficult across the industry, we have a clear trading plan and have already taken steps going into Winter 2022.

I am pleased with our resilient financial performance in the period and would like to thank the team for their hard work in managing unprecedented challenges while also laying strong foundations for growth. I would also like to thank our customers, who continue to support both our business and the rise of renewable generation in the UK during this challenging period.

OPERATING REVIEW

Wholesale energy market conditions

Power prices

The development of power prices in the last 18 months has been significant, starting with COVID impacts and subsequent recovery before geopolitical matters drove a dramatic, rapid and fluctuating upward trend in wholesale power and gas costs. Day ahead gas prices started the year at £1.53/therm, peaked at £6.44/therm on August 26th, and had dropped to £3.94/therm by September 7th.

Weather conditions in H1 2022 and through to August have reflected a warmer year than ever recorded before. The average temperature for January to August for the UK in 2022 has been 10.5°C, making this year so far warmer than the previous record of 10.2°C in 2014. This has impacted gas usage with H1 2022 being 17.8% lower than H1 2021.

Overall electricity supply volumes were up 20.6% reflecting continued COVID recovery, increased business supply volumes and an increase in domestic customer numbers.

Our renewable supply business

Cash collections

Significant rise in cash collections in Q1 driven by increased tariffs (SVT's Price Cap and Commercial tariffs) and the recovery from teething problems experienced in the implementation of our new business billing platform (Ensek) which impacted collection during Q2 and Q3 2021.

There is a continued focus on good quality business partners to ensure future growth comes hand in hand with good collections performance.

Cash collections continue to be a priority for the business, with rising wholesale prices requiring tariff increases and increased collections to continue to sustain the business.

Business

Total business supply customers fell by 10% to 10k. Whilst this fall was seen evenly across SME and HH customers, business supply volumes grew materially (30%) reflecting higher usage contracts. (2022: 248 GWh, 2021: 191 GWh).

Domestic

In the domestic supply market, 29 suppliers have exited the market since 2021. This reinforced our stance that a race to bottom on price was not a viable long-term business model. We remain committed to ensuring that we offer fair priced, transparent 100% renewable electricity proposition. Elevated energy prices will drive increasing awareness in the sector.

Feed in Tariff ("FIT")

FIT administration provides the foundation of our energy services model. Despite the FIT scheme closing to new entrants in March 2019, we continue to administer the scheme for domestic and business customers. Customer numbers increased 0.7% to 180.5k versus June 2021.

Generation performance

In January 2022 we announced the disposal of the renewable generation asset portfolio (47.5MW) as part of an ongoing strategic shift to energy and mobility services.

Smart metering

Following delays in 2020 and the first half 2021 due to COVID-19 restrictions, installations are now progressing well. By 7 January 2022, we had installed 22,00 meters delivering on our 2021 target. Total installed meters to date are close to 37,000 meters.

CFO REVIEW

Overview

The Group has had a resilient financial performance despite continued and significant pressure from commodity markets impacting on the year's performance.

The first half of 2021 saw significant benefits from power and gas hedged during 2020. The second half of 2021 saw rapidly escalating wholesale prices combined with significant periods of low wind, which combined to hit margins materially. This escalation of prices has continued throughout the first half of 2022 and whilst tariffs have been increasing, wholesale prices has risen quicker putting pressure on margins in the short term.

In September 2022, the UK government announced a significant extension of its energy market support packages. This support will cap domestic bills, offer business users significant support, and will add additional collateral into the wholesale commodity market. All the interventions are designed to support consumers through an exceedingly difficult period.

Financial performance

Profit and loss

Revenue increased 57% in the period to £107.6m (202: £68.3m) driven by increased tariffs.

Cost of sales increased by 88% to £95.4m (20201 £50.6m) driven by geopolitical impacts on wholesale costs.

Gross profit decreased 31% to £12.2m (2021: £17.7m). Gross margin decreased to 11.3% (2021: 25.9%). The decline in margins reflects that Pricing whilst rising could not keep pace through H1 (price cap) although this is primarily a phasing impact over the medium term.

Total administration costs increased 8% to £12.7m. This increase primarily relates to the booking of expected credit loss (ECL) provisions at 2021 year end rates.

Net finance costs decreased by 79% to £0.2m driven by a combination of significant debt reduction and sale of the generation asset portfolio.

Loss before tax of £0.7m includes a breakeven performance for the traditional good energy business and a loss of £0.7m in the ZAPMAP business.

Reported tax credit at H1 2022 include the impact one-off benefits related to Generation business sale.

The profit for the period was £0.8m (2020: £3.2m). This reflects the extraordinary market conditions seen since H2 2021 and continuing to this day.

Financial bridge 2021 to 2022*

2022 saw the impact of some higher volume business contracts secured in 2021 and a small growth in domestic customer numbers. This generated a £0.8m positive volume impact compared to H1 2021

The current geopolitical energy crisis – affecting everyone from consumers to suppliers, regulators and government – means we are experiencing ongoing global uncertainty and have not been immune from the impacts from the wholesale market. In H1 2022 our recorded wholesale prices increased 87% whilst supply revenue increased 60%. On the commodity costs side this also reflects that H1 2021 benefited from commodity procurement during COVID, whilst H2 2022 saw the impacts of the rapidly rising commodity costs. Due to the price cap calculation mechanics, prices whilst rising through the same period, couldn't keep pace. Although this is primarily a phasing impact over the medium term. The net negative financial impact of all this is £5.6m.

ECL provisioning for H1 2022 has been done at revised rates but using the same methodology as 2021 year-end. Compared to the H1 2021 we see a negative PBT impact of £1.6m

Substantially offsetting this ECL change are the reducing costs of interest and financing within the business that have resulted from the sales of the generation portfolio and the reduction in bond debt within the business.

Finally, there are some smaller PBT movements with a £0.3m increase in Zap-Map losses being offset by £0.2m of small other PBT changes within the group.

**A profit bridge slide has been included in the Investor presentation, which is available on the Company's website. (https://group.goodenergy.co.uk/home/default.aspx)*

Cash flow and cash generation

Our business model remains cash generative and once wholesale prices stabilise we expect to see a working capital improvement within the business as tariffs catchup to wholesale positions.

The increased tariffs alongside the recovery from 2021 business billing migration issues has seen a significant improvement in collections year on year. Collections in Q1 were up 57% and in Q2 were up 91% versus the same periods in 2021.

There was a net increase in cash of £15.0m, which includes the proceeds from the sale of the Generation assets (£21.2m - gross of fees) alongside the further strategic investment in Zap-Map of £3.7m.

Cash and cash equivalents at the end of August 2022 were £22.2m.

Funding and debt

Our business is substantially debt free on a net basis. In the period, gross debts have reduced by 86.6% compared with June 2021.

Substantial progress has been made against reducing Group finance costs and reducing the gearing ratio. The remaining Good Energy Bonds II outstanding (£4.7m) is reported within current liabilities. This is due to an annual redemption request window for bondholders in December of each year and a one-off redemption window that closed in August with payment of £0.3m due in December 2022.

The Group continues to maintain capital flexibility, balancing operating requirements, investments for growth and payment of dividends. Our business remains mindful of the need to capitalise on strategic business development and investment opportunities. Prudent balance sheet management remains a key priority.

Earnings

Reported basic earnings per share decreased to 7.4 (2021: 20.5p).

Dividend

Following stable operational performance in 2022, the sale of the generation portfolio and reflecting our confidence in the ongoing business, the Board recommend an interim dividend for 2022 of 0.75p per ordinary share.

Good Energy continues to operate a scrip dividend scheme and the payment timetable of the interim dividend will be announced in due course.

Expected Credit Loss (ECL)

Versus H1 2021 ECL provision has increased by £1.6m taking the overall provision to £11.2m (2021: £9.6m).

The main impact is updating H1 2022 to the methodology applied in FY 2021. Revenues have substantially increased but this has been substantially offset by improved commercial collection rates.

Zap-Map investment

2022 H1 saw a P&L loss related to Zap-Map of £(0.7m) which increased £0.3m from 2021, following a period of continued investment. This was expected and related to Zap-Map's growth plan. At an earnings level the group retains a £0.4m loss reflecting Good Energy's 50.1% stake in Zap-Map.

Generation portfolio sale

On 25 November 2021, the Company appointed KPMG LLP to lead a sale process for the Company's entire 47.5MW generation portfolio.

On 20 January 2022 the Company announced, that following a competitive process, the disposal of the 47.5MW generation portfolio was complete with Bluefield Solar Income Fund ("BSIF"). Total consideration of £21.2m was received for the sale.

We are committed to delivering value to stakeholders and the sale of our generation portfolio, at a significant premium to book value, was a good deal. It is also a significant moment for Good Energy - we are using the capital from our past to invest in our future.

Events after the balance sheet

Zap – Map Series A investment. https://www.londonstockexchange.com/news-article/GOOD/zap-map-raises-ps9m/15574433

Consolidated Statement of profit or loss (Un-audited)

For the 6 months ended 30 June 2022

		Notes	Unaudited 6 months to 30/06/2022 £000's	Unaudited 6 months to 30/06/2021 £000's	Audited 12 months to 31/12/2021 £000's
REVENUE			107,600	68,374	146,045
Cost of Sales			(95,379)	(50,646)	(119,019)
GROSS PROFIT			12,221	17,728	27,026
Administrative Expenses			(12,725)	(11,789)	(24,622)
OPERATING PROFIT			(504)	5,939	2,404
Finance Income		6	1	1,447	14
Finance Costs		6	(247)	(2,627)	(584)
Share of loss of associate			-	-	-
PROFIT BEFORE TAX			(750)	4,759	1,834
Taxation			1,044	(1,609)	(187)
PROFIT FOR THE PERIOD			294	3,150	1,647
Profit from discontinued operations before tax			82	-	(6,752)
Tax on discontinued operations			440	-	1,206
PROFIT/(LOSS) FOR THE PERIOD			816	3150	(3,899)
Attributable to:					
Equity holders of the parent			1,217	3,362	(3,389)
Non-controlling interest			(401)	(212)	(510)
Earnings per share	- Basic	9	7.4p	20.5p	-20.7p
	- Diluted	9	7.4p	20.0p	-20.7p
Earnings per share (continuing operations)	- Basic	9	4.2p	20.5p	13.2p
	- Diluted	9	4.2p	20.0p	13.0p

Consolidated Statement of profit or loss (Un-audited)

For the 6 months ended 30 June 2022

	Unaudited 6 months to 30/06/2022 £000's	Unaudited 6 months to 30/06/2021 £000's	Audited 12 months to 31/12/2021 £000's
Profit/(Loss) for the period	816	3,150	(3,899)
Other comprehensive income			
Other comprehensive income that will not be reclassified to profit or loss in subsequent periods (net of tax):			
Deferred tax charge on rate change	-	(924)	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD ATTRIBUTABLE TO OWNERS OF THE PARENT COMPANY	816	2,226	(3,899)
Attributable to:			
Equity holders of the parent	1,217	2,438	(3,899)
Non-controlling interest	(401)	(212)	-

Consolidated Statement of Financial Position (Un-audited)

As at 30 June 2022

	Notes	Un-audited 30/06/2022 £000's	Un-audited 30/06/2021 £000's	Audited 31/12/2021 £000's
ASSETS				
Non-current assets				
Property, plant and equipment		171	56,848	209
Right-of-use assets		850	6,279	851
Intangible assets		4,233	4,392	3,891
Deferred tax asset		1,280	-	173
Restricted deposit assets		-	866	-
Total non-current assets		6,534	68,385	5,124
Current assets				
Inventories		17,893	19,914	7,682
Trade and other receivables	7	38,262	30,413	35,928
Current Tax receivable		-	-	-
Restricted deposit assets		2,816	476	2,414
Cash and cash equivalents		21,690	9,035	6,699
Total current assets		80,661	59,838	52,723
Held for sale assets		-	-	64,798
TOTAL ASSETS		87,195	128,223	122,645
EQUITY AND LIABILITIES				
Capital and reserves				
Called up share capital		842	833	840
Share premium account		12,790	12,790	12,790
EBT shares		(444)	(502)	(444)
Revaluation surplus		-	11,003	11,693
Retained earnings		17,281	10,541	4,774
Total equity attributable to members of the parent company		30,469	34,665	29,653
Non-controlling Interest		(726)	(27)	(325)
Total equity		29,743	34,638	29,328
Non-current liabilities				
Deferred taxation		-	6,077	-
Borrowings	8	276	39,855	5,066
Provision for liabilities		-	1,316	-
Long term financial liabilities		-	13	-
Total non-current liabilities		276	47,261	5,066
Current liabilities				
Borrowings	8	5,436	6,874	2,118
Trade and other payables		51,683	39,450	40,910
Current tax payable		59	-	-
Short term financial liabilities		-	-	-

Total current liabilities	57,176	46,324	43,029
Liabilities associated with HFS asset	-	-	45,223
Total liabilities	57,452	93,585	93,318
TOTAL EQUITY AND LIABILITIES	87,195	128,223	122,645

Consolidated Statement of Changes in Equity (Un-audited)

For the 6 months ended 30 June 2022

	Share Capital	Share Premium	Other Reserves	Retained Earnings	Revaluation surplus	Non-controlling interest	Total
	£000's	£000's	£000's	£000's	£000's	£000's	£000's
At 1 January 2021	833	12,790	(502)	6,854	12,472	185	32,632
Loss for the year	-	-	-	3,362	-	(212)	3,150
Other comprehensive income for the year	-	-	-	-	(924)	-	(924)
Total comprehensive income for the year	-	-	-	3,362	(924)	(212)	2,226
Transfer of revaluation to retained earnings	-	-	-	545	(545)	-	-
Total contributions by and distributions to owners of the parent, recognised directly in equity	-	-	-	545	(545)	-	-
At 1 July 2021	**833**	**12,790**	**(502)**	**10,761**	**11,003**	**(27)**	**34,858**
Profit / (Loss) for the period	-	-	-	(6,751)	-	(298)	7,049
Other comprehensive income for the period	-	-	-	677	-	-	677
Total comprehensive income for the period	-	-	-	(6,074)	-	(298)	6,372
Share based payments	-	-	-	-	-	-	-
Exercise of options	7	-	58	(40)	-	-	25
Dividend paid	-	-	-	(108)			(108)
Acquisition of Subsidiary	-	-	-	-	-	-	-
Transfer of revaluation to retained earnings	-	-	-	234	690	-	924
Total contributions by and distributions to owners of the parent, recognised directly in equity	7	-	58	86	690	-	841
At 31 December 2021	**840**	**12,790**	**(444)**	**4,773**	**11,693**	**(325)**	**29,327**
At 1 January 2022	**840**	**12,790**	**(444)**	**4,773**	**11,693**	**(325)**	**29,327**
Profit/(Loss) for the period	-	-	-	816	-	(401)	415
Other comprehensive income for the period	-	-	-	-	-	-	-

Total comprehensive income for the period				816	-	(401)	415
Transfer of revaluation to retained earnings	-	-	-	11,693	(11,693)	-	-
Total contributions by and distributions to owners of the parent, recognised directly in equity	-	-	-	11,693	(11,693)	-	-
At 30 June 2022	**840**	**12,790**	**(444)**	**17,281**	**-**	**(726)**	**29,743**

Consolidated Statement of Cash Flows (Un-audited)
For the 6 months ended 30 June 2022

	Notes	Un-audited 30/06/2022 £000's	Un-audited 30/06/2021 £000's	Audited 31/12/2021 £000's
Cash flows from operating activities				
Cash inflow from continuing operations		(2,173)	351	3,901
Finance income		(1)	9	620
Finance cost		(348)	(2,139)	(2,902)
Net cash flows from operating activities	10	(2,522)	(1,779)	1,619
Cash flows from investing activities				
Purchase of property, plant and equipment		-	(11)	(248)
Purchase of intangible fixed assets		(342)	(198)	(760)
Deposit into restricted accounts		(401)	3,908	1,791
Proceeds from disposal of subsidiaries		19,575	-	-
Net cash flows used in investing activities		18,832	3,699	963
Cash flows from financing activities				
Payments of dividends		-	-	(108)
Proceeds from borrowings		-	7,026	6,786
Repayment of borrowings		(1,000)	(17,917)	(18,076)
Capital repayment of leases		(321)	(276)	(616)
Proceeds from issue of shares		-	-	-
Proceeds from sale of share options		2	-	26
Net cash flows from financing activities		(1,319)	(11,167)	(11,988)
Net increase/(decrease) in cash and cash equivalents		14,991	(9,247)	(9,406)
Cash and cash equivalents at beginning of period		6,699	18,282	18,282
Cash and cash equivalents at end of period		21,690	9,035	6,699
Cash and cash equivalents for discontinued operations at end of period		-	-	2,175

Notes to the Interim Accounts

For the 6 months ended 30 June 2022

1. General information and basis of preparation

Good Energy Group PLC is an AIM listed company incorporated and domiciled in the United Kingdom under the Companies Act 2006. The Company's registered office and its principal place of business is Monkton Park Offices, Monkton Park, Chippenham, Wiltshire, United Kingdom, SN15 1GH.

The Interim Financial Statements were prepared by the Directors and approved for issue on 20th September 2022. These Interim Financial Statements do not comprise statutory accounts within the meaning of section 434 of the Companies Act 2006. Statutory accounts for the year ended 31 December 2021 were approved by the Board of Directors on 27 April 2022 and delivered to the Registrar of Companies. The report of the auditors on those accounts was unqualified and did not contain statements under 498 (2) or (3) of the Companies Act 2006 and did not contain any emphasis of matter.

As permitted these Interim Financial Statements have been prepared in accordance with UK AIM rules and the IAS 34, 'Interim financial reporting' as adopted by the United Kingdom. They should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2021 which have been prepared in accordance with IFRS as adopted by the European Union.

In accordance with IAS 34, the tax charge is estimated on the weighted average annual income tax rate expected for the full financial year. The accounting policies applied are consistent with those of the Annual Financial Statements for the year ended 31 December 2021, as described in those Annual Financial Statements.

The Interim Financial Statements have not been audited.

2. Going concern basis

The Group has had a resilient financial performance despite significant pressure from commodity markets and low wind levels. The Group has performed a going concern review, going out until September 2023, considering both an internal base case, and various externally provided scenarios. The scenarios were provided by Ofgem in July 2022 as part of their review into the financial stability of UK Energy suppliers. Having reviewed this forecast, and having applied a reverse stress test, the possibly that financial headroom could be exhausted is remote.

All modelling work was performed before the announcement of the announcement of the Governments Energy Price Guarantee on Sept 8^{th}, 2022. The impact of this announcement is only positive for the company. It reduces collections and expected loss risk, by providing direct funding from industry bodies to replace customer contributions (for all domestic dual fuel customer tariffs above £2,500 per annum - standard TDCV usage assumed). In addition, the Government funding will be provided within 11 days after the week of supplying power/gas to consumers which reduces working capital extremes. The Government has also announced business customer will receive an equivalent level of support although details are still being confirmed, but any support will a positive for the business. Finally, the Bank of England will also be supporting liquidity in the wholesale power and gas trading markets with a £40bn facility with the aim of a return to a more normal trading environment.

The Directors are confident in the ongoing stability of the Group, and its ability to continue operation and meet commitments as they fall due over the going concern period. The Group therefore continues to adopt the going concern basis in preparing its consolidated financial statements.

3. Estimates

The preparation of Interim Financial Statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing this set of condensed Interim Financial Statements, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the Annual Financial Statements for the year ended 31 December 2021.

4. Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk, currency risk, credit risk and liquidity risk. The condensed Interim Financial Statements do not include all financial risk management information and disclosures required in the Annual Financial Statements. They should be read in conjunction with the Annual Financial Statements as at 31 December 2021.

5.Segmental analysis

H1 2022	Electricity Supply	FIT Administration	Gas Supply	Total Supply Companies	Electricity Generation (Discontinued operations)	Energy as a service	Holding Company/ Consolidated Adjustments	**Total**
	£000s	£000s	£000s	£000s	£000s	£000s	£000s	**£000s**
Revenue	88,510	2,849	15,638	106,997	-	603	-	107,600
Cost of sales	(84,282)	(325)	(10,573)	(95,180)	-	(155)	(45)	(95,380)
Gross profit/(loss)	4,228	2,524	5,065	11,817	-	448	(45)	12,220
Gross margin	5%	89%	32%	11%	-	74%	0%	11%
Admin costs				(9,716)	-	(1,227)	(1,779)	(12,725)
Operating profit/(loss)				2,098	-	(779)	(1,824)	(505)
Net finance costs				(5)	-	(24)	(216)	(245)
Share of loss of associate				-	-	-	-	-
Profit/(loss) before tax				2,093	-	(803)	(2,040)	(750)

H1 2021	Electricity Supply	FIT Administration	Gas Supply	Total Supply Companies	Electricity Generation	Energy as a service	Holding Company/ Consolidated Adjustments	**Total**
	£000s	£000s	£000s	£000s	£000s	£000s	£000s	**£000s**
Revenue	50,412	2,582	13,780	66,774	3,864	268	(2,532)	**68,374**
Cost of sales	(41,619)	(306)	(8,432)	(50,357)	(2,7839)	(54)	2,504	**(50,646)**
Gross profit/(loss)	8,793	2,276	5,348	16,417	1,125	214	(28)	**17,728**
Gross margin	17%	88%	39%	25%	29%	80%	1%	**26%**
Admin costs				(9,665)	(188)	(700)	(1,236)	**(11,789)**
Operating profit/(loss)				6,752	937	(486)	(1,264)	**5,939**
Net finance costs				(34)	(752)	(2)	(392)	**(1,180)**
Share of loss of associate				-	-	-	-	**-**
Profit/(loss) before tax				6,718	185	(488)	(1,656)	**4,759**

6. Finance income and expense

Finance income	Unaudited As at 30/06/2022 £000s	Unaudited As at 30/06/2021 £000s
Bank and other interest receivable	**2**	-
FV gains & losses[1]	(1)	1,447
Total	**1**	**81**

Finance expense	Unaudited As at 30/06/2022 £000s	Unaudited As at 30/06/2021 £000s
On bank loans and overdrafts	123	1,298
On corporate bond	120	363
Other interest payable	6	1
Fees on repayment of borrowings[1]	-	620
Interest on lease liabilities	1	194
Amortisation of debt issue costs	-	151
Total	**250**	**2,627**

[1] Included within Finance income and Finance expenses in the prior year are amounts classified as non-underlying income and expenses relating to the debt restructuring taken place during 2020. As a result of the debt restructuring a fair value gain of £1,447,000 was recognised. However, a £620,000 fee was incurred for the early settlement of the Delabole loan arrangement.

7. Trade Receivables

	Unaudited As at 30/06/2022 £000s	Audited As at 31/12/2021 £000s
Gross trade receivables	49,110	47,686
Provision for impairment/non-payment of trade receivables	(11,184)	(11,792)
Net trade receivables	37,926	**35,894**
Other taxation	337	35
Total	38,263	**35,929**

The movements on the provision for impairment and non-payment of trade receivables is shown below:

Movement on the provision for impairment and non-payment of trade receivables	**Unaudited As at 30/06/2022**	**Audited As at 31/12/2021**
	£000's	£000's
Balance at 1 January	11,792	8,882
Increase in allowance for impairment/non-payment	586	3,134
Impairment/non-payment losses recognised	(1,194)	(224)
Balance at 31 December	11,184	11,792

Unaudited As at 30/06/2022	**Contract assets**	**Current**	Days past due **<30 days**	**30-60 days**	**61-90 days**	**>91 days**	**Total**
	£000's	£000's	£000's	£000's	£000's	£000's	£000's
Expected credit loss rate	-	4.5%	9.7%	17.2%	26.1%	80.5%	
Estimated total gross carrying amount at default	-	30,260	4,198	2,377	1,640	10,633	49,110
Expected credit loss	-	1,376	409	410	428	8,561	11,184

Audited As at 31/12/2021	**Contract assets**	**Current**	Days past due **<30 days**	**30-60 days**	**61-90 days**	**>91 days**	**Total**
	£000's	£000's	£000's	£000's	£000's	£000's	£000's
Expected credit loss rate	-	3.3%	7.9%	17.0%	31.2%	90.1%	
Estimated total gross carrying amount at default	-	30,070	4,294	1,488	804	11,030	47,686
Expected credit loss	-	1,015	340	253	251	9,931	11,792

8. Borrowings

Current:	Unaudited As at 30/06/2022 £000s	Audited As at 31/12/2021 £000s
Bank and other borrowings	-	1,007
Bond	5,160	557
Lease liabilities	276	555
Total	5,436	2,119

Non-current:	Unaudited As at 30/06/2022 £000s	Audited As at 31/12/2021 £000s
Bank and other borrowings	-	-
Bond	-	4,749
Lease liabilities	275	317
Total	275	5,066

On the 30 June 2021, the Group partially repaid £11,450,000 of the Good Energy Bonds II. This represented 70% of the un-redeemed amount at the date of payment. On the same day the group also repaid £400,000 in redemption requests. On 30 June 2022, the Group repaid £200,000 in redemption requests. The outstanding capital after these combined payments is £4,700,000. The bond is classified as a current liability as the remaining value is repayable within 12 months, subject to the request of individual bondholders.

The fair values of borrowings have been calculated taking into account the interest rate risk inherent in the bond. The fair value estimates and carrying values of borrowings (excluding issue costs) in place are:

	Unaudited As at 30/06/2022 Fair value £000s	Unaudited As at 30/06/2022 Carrying value £000s	Audited As at 31/12/2021 Fair value £000s	Audited As at 31/12/2021 Carrying value £000s
Good Energy Generation Assets No.1 Ltd	-	-	39,513	38,310
Corporate bond	5,104	4,735	5,189	4,902

9. Earnings per share

The calculation of basic earnings per share at 30 June 2022 was based on a weighted average number of ordinary shares outstanding for the six months to 30 June 2022 of 16,528,000 (for the six months to 30 June 2021: 16,375,000 and for the full year 2021: 16,399,000 after excluding the shares held by Clarke Willmott Trust Corporation Limited in trust for the Good Energy Group Employee Benefit Trust.

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares to assume conversion of all potentially dilutive ordinary shares. Potentially dilutive ordinary shares arise from awards made under the Group's share-based incentive plans. When the vesting of these awards is contingent on satisfying a service or performance condition, the number of the potentially dilutive ordinary shares is calculated based on the status of the condition at the end of the period. Potentially dilutive ordinary shares are actually dilutive only when the Company's ordinary shares during the period exceeds their exercise price (options) or issue price (other awards). The greater any such excess, the greater the dilutive effect. The average market price of the Company's ordinary shares over the six month period to 30 June 2022 was 258p (for the six months to 30 June 2021: 189p and for the full year 2021: 269p). The dilutive effect of share-based incentives was 208,252 shares (for the six months to 30 June 2021: 440,432 shares and for the full year 2021: 145,752).

10. Net cash flows from operating activities

The operating cashflow for the six months to 30 June 2022 is an outflow of £2.5m (for the six months to 30 June 2021: £1.8m outflow and for the full year 2021: £1.6m inflow). The difference in the cashflow between the half year 2022 and its comparative for the same period is primarily due to timing of working capital related items and a loss before tax in the current year compared with a profit before tax in 2021.

11. Post balance sheet events

Zap Map fundraise

On 8 August 2022, Zap-Map successfully completed a £9m Series A funding round with a £5.3m investment from Fleetcor UK Acquisition Limited ("Fleetcor") and a £3.7m investment from Good Energy. Following the transaction, Good Energy have a significant minority 49.9% shareholding and Fleetcor have a shareholding of 19.9%. Zap Map has therefore been deconsolidated from the Good Energy group from 8 August 2022, resulting in a non-adjusting post balance sheet event. Good Energy originally invested £1.08m for a 50.1% stake in March 2019, with a further £1m strategic investment via a convertible loan note in April 2021. The £1m convertible loan note issued in April 2021 by Good Energy has now converted into shares.

Government Energy Price Guarantee

On 8 September 2022, the UK government announced details of domestic financial support available through the Energy Price Guarantee. This has been factored into the going concern disclosure in note 2 and is treated as a non-adjusting post balance sheet event in relation to expected credit losses (ECL).