



30 June 2020

Good Energy Group PLC

AGM trading statement

Good Energy Group PLC, the 100% renewable electricity supplier and innovative energy services provider (“Good Energy” or “the Company”), announces a trading update ahead of holding its Annual General Meeting (“AGM”) at 4:00pm today.

The Company will be holding a closed AGM in light of the current restrictions on social gatherings and unnecessary travel due to COVID-19. The result of the AGM will be announced on the conclusion of proceedings.

Current performance

Underlying profitability in the year to date has been in line with management’s expectations. The business continues to operate contingency plans put in place as a result of the COVID-19 pandemic.

Overall demand within the energy supply segment remained lower in June, in line with April and May, with an increase in domestic supply largely offset by a decrease in SME volumes, with half hourly business volumes also remaining below normal. However, the Company is starting to see the first signs of increased demand pick up in some half hourly business segments, which is encouraging.

Alongside the reduction in gross profit due to the reduction in supply volumes, the Company has also seen a short-term gross margin impact resulting from wholesale energy price reductions. This resulted in excess power purchased from Good Energy’s independent generation customer base being fed back into a lower priced market. Nevertheless, the Company has successfully offset these impacts through a range of planned efficiencies and management initiatives. The net result is an underlying profit performance in line with the Board’s expectations.

Good Energy has continued to see modest growth in its FiT business. Plans to provide additional SMART services have been impacted by COVID-19 due to delays in home installations. Management will continue to monitor this situation closely and keep actions under constant review.

Balance sheet and liquidity

Cash collection in the first half of 2020 has been strong and remains in line with seasonal expectations. Whilst direct debit receipts have not been negatively impacted, the Company has seen some increase in the aging of SME and household debt. This was anticipated within COVID-19 scenario modelling and the Company is actively managing the position. It is too early to assess any trends that may arise and that may impact rates of expected credit loss provisioning. Good Energy started the current financial

year with a healthy cash position and robust balance sheet and, as at 31 May 2020, this position has been maintained.

Strategic update

Good Energy continues to invest across the business in the development of energy services and a range of innovation projects required to deliver sustainable profit growth and supporting the journey to a zero carbon Britain.

As announced on 25 June 2020, Good Energy increased its initial 12.9% minority stake in Zap-Map to a 50.1% majority equity stake having exercised the right to convert the convertible debt element. Good Energy will continue to work closely with Zap-Map to ensure the delivery of these innovative products and services, including advisory support to accelerate the implementation of the strategy. Zap-Map will continue to benefit from the scale and resources supported by Good Energy, whilst leveraging the expertise of Good Energy in innovative technology solutions.

Operationally, the Kraken customer service system implementation and associated operating model transformation is progressing as planned. Approximately 80% of Good Energy's customers have been migrated successfully. The Kraken system implementation and associated operating model transformation is expected to drive significant operating cost savings and operating leverage by lowering customer acquisition cost, improving customer retention and increasing overall customer lifetime value through an improved offering of products and services.

This will enable more customers to access competitively positioned clean energy and technology services from Good Energy, the energy supplier Which? recently gave its highest green rating. It will enable more people and more businesses to reduce their carbon footprint, at a time when consumers want to take action to combat the climate crisis.

Outlook

The Company remains focused on delivering returns alongside continued investment in people, processes, and technology to enable customers to take control of their energy usage in the future. While not discounting the current, and potential impacts of COVID-19, Good Energy remains cash generative and profitable and has positioned itself to lower customer acquisition costs, improve customer retention and increase overall customer lifetime value while continuing to implement strategic investments and invest in new growth areas across the business.

The strides taken last year and during the current period ensure that Good Energy is at the forefront of empowering customers to use, share, generate and store clean energy. The Company will continue to target both homes and businesses with an expanded customer proposition, which can be scaled up rapidly by cross-selling and up-selling and are excited by the growing opportunity to provide technology enabled services.

Investor Presentation:

The online presentation is open to all existing and potential shareholders. The presentation, hosted by Chief Executive Juliet Davenport and CFO Rupert Sanderson, will commence at 2pm and will be followed by an opportunity for Q&A. To register please follow <https://www.investormetcompany.com/good-energy-group-plc/register-investor> and add Good Energy to attend the presentation. Questions can be submitted pre-event via your IMC dashboard or any time during the live presentation via the "Ask a Question" function. Although the Company may not be in a position to answer every question it receives, it will address the most prominent within the confines of information already disclosed to the market. Responses to the Q&A from the live presentation will be published at the earliest opportunity on the Investor Meet Company platform.

For additional information please contact goodenergy@walbrookpr.com.

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Notes to editors:

About Good Energy www.goodenergy.co.uk

Good Energy is a generator and supplier of 100% renewable power and an innovator in energy services. It currently owns two wind farms, six solar farms and sources electricity from a community of 1,500 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 support UK households and businesses generate, store and share clean power.