



**Good Energy  
Group**

---



---

# **Good Energy Group Plc Interim Report to Shareholders 2013**

Incorporating Financial Results (un-audited)  
for the six months ended 30 June 2013



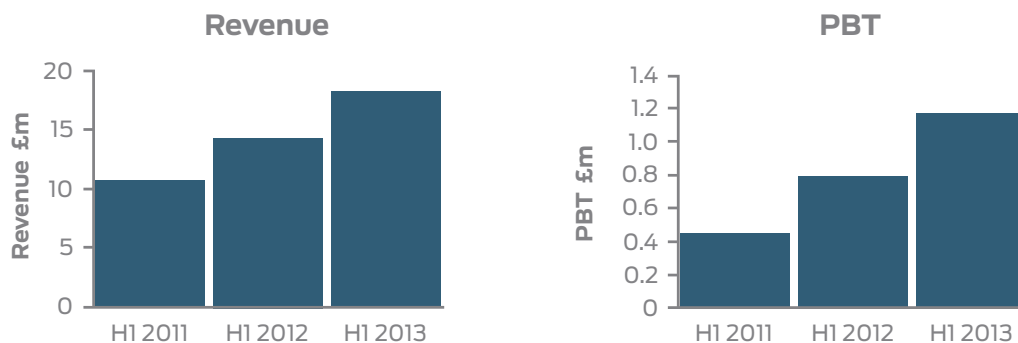
## Continued growth across all business sectors and improvement in financial performance

### Interim Report for the 6 months ended 30 June 2013

Good Energy Group Plc is pleased to announce its interim results which show an improvement in financial performance for the fifth consecutive first half of the year as a result of increasing customer numbers across all business segments.

#### Financial Highlights

- Revenue increased by 27% to £18.2m (H1 2012: £14.3m)
- Gross Profit increased by 23% to £6.3m (H1 2012: £5.1m)
- PBT increased by 47% to £1.2m (H1 2012: £0.8m)
- Cash balance as at 30 June £1.7m (H1 2012: £5.1m)
- Basic earnings per share 7.8p (H1 2012: 8.7p)
- Interim dividend of 1p per ordinary share declared



#### Business Highlights

- Total number of electricity customers increased by 16% to over 34,000 (H1 2012 30,000)
- Total number of gas customers increased by 64% to 11,000 (H1 2012 6,700)
- Total number of Feed-in Tariff customers increased by 33% to over 52,000 (H1 2012: 39,000)
- Hampole wind farm in construction, with a £10.6m debt facility in place
- £6.5m of new Revolving Credit Facility raised to support early stage development of solar sites

#### Post Balance Sheet Events

- Share Placing and Open Offer of a total of 2,145,247 new Ordinary Shares at 125 pence per share, raising £2.68m before costs

---

## Chairman's Statement

I am pleased to report an improvement in Good Energy Group's interim results for the fifth consecutive first half of the year. The Company has continued to perform in line with our expectations. We are delivering against our strategy of investing in generation, trading and marketing. We have seen reliable recurring revenue streams from commercial interests in these three key business areas. The UK has firm, long-term targets in place for increasing its use of renewable energy and reducing its carbon emissions. Good Energy is well placed to continue to thrive in a strong sector with excellent prospects for growth.

### Dividend Declaration

Having paid an aggregate dividend for 2012 of 3p per ordinary share, the Board is pleased to announce an interim dividend of 1p per ordinary share for the period to 30 June 2013. The dividend is payable on the 25 October 2013 to shareholders whose names are on the register at close of business on 11 October 2013. The shares will trade ex-dividend on 9 October 2013. While the interim dividend has been maintained at the same level as last year while we continue to invest in the business, the Board will continue to develop its progressive dividend policy.

### Strategy and Outlook

Since 30 July 2012 the Company has listed on AIM, restructured the Board, completed the acquisition of the Hampole Wind Farm, raised further funds with the July 2013 Placing and Open Offer, and continued to deliver the expected growth in its consumer facing business including electricity, gas and FIT customers which now totals over 100,000. Good Energy has experienced strong growth as consumers increasingly look to buy their energy from renewable sources at competitive prices. We expect to maintain these positive trends in the business during the second half of the year as we deliver on our strategic long term aims to grow our customer base and invest in our own generation capacity. Through our investment in our three key business areas, we are laying solid foundations for the next stage in our development.



**John Maltby**  
Chairman  
30 September 2013

---

## Chief Executive's Review

### Growth

Good Energy has achieved good growth across all areas of the business, as well as an improved financial performance once again. The total number of electricity customers has increased by 16% and the gas supply business is also enjoying good growth with the total number of gas customers increasing by 64%. Our business customer sales have also increased by 32%. The number of FIT customers was 52,000 as at 30 June 2013.

In September, our customer base, including electricity, gas and FIT customers, increased to more than 100,000 as Good Energy continues to attract customers who want to source their energy from renewables at competitive prices, and those who are generating their own renewable electricity.

Our partnerships with the National Trust and the Soil Association have been gaining momentum, and we look forward to building on this progress as we move through 2013. These partnerships are part of the wider strategy to grow our customer base and deliver improvement on Good Energy's market awareness.

### Trading

We have invested in our trading systems, which are a key element in our financial and competitive performance. The new systems are now fully operational, and in March we began trading our own position directly with the market. Our electricity trading percentage over supply ratio prior to March was around 116%. Following the bedding in of the new systems, this rose again temporarily, but by June had improved a little to 114%. This has continued to improve since June and is now below 110% and on target for the savings we expected to make through the investment.

Savings have been delivered through a more responsive trading platform, which has given the Company improved flexibility and reduced trading costs. This in turn has improved competitive positioning and protection of margins. The electricity gross margin in 2012 was 26%, we have experienced a recovery in the first half of 2013 to 29.7%.

Our existing 9.2MW wind farm in Delabole, North Cornwall has exceeded its MWh output expectations for the first half of the year and as a result it delivered around 17% of our total requirements. This reflects its good output performance in the first half year, keeping up with the growth in customer base.

### Operations

We have invested £1.2m in developing new CRM systems to deliver improved efficiencies on our cost to serve and further enhance the Good Energy 'experience' for our customers. This will also facilitate our plans for smart metering, innovative tariffs, and the implementation of new regulations under Retail Market Review (RMR).

### Generation

Keeping the right balance between demand and supply is a key part of Good Energy's strategy and we see it underpinning our future growth. We are on target to deliver 50% of electrons from our own sites by 2016, predominantly through wind and solar in the UK. We have maintained significant momentum behind our development portfolio and our development planning pipeline of wind and solar farms now exceeds 200MW. We have invested in the progression of our generation plans and the portfolio is now in various stages of pre-planning and planning.

In May we announced financial close on our 8.2MW onshore wind site with planning at Hampole in Yorkshire. Construction is underway at the site and commissioning of the wind farm and its operational commencement is expected to take place in Q1 2014. The plans guarantee Good Energy access to new sources of renewable power as our customer base continues to grow.

---

---

### **Fundraising**

In July 2013 the Company successfully raised a total of approximately £2.68m through a share Placing and Open Offer to existing shareholders, helping fund its development of new renewable energy generation projects. The Company is looking to access further financing for the development pipeline and its asset base from a mix of sources going forward.

### **Ethical and social mission**

For over a decade, Good Energy's wider ethical and social mission has led to our continued corporate success. Good Energy is a founder member of Ethex and the Social Stock Exchange and in July the Company was named best green electricity supplier by the UK's leading ethical and environmental magazine, Ethical Consumer.

### **Government Policy**

We continue to work hard in the area of government policy and regulation as the Energy Bill progresses through Parliament. ROC levels were confirmed for the next three years which provided clarity around support rates for large scale projects, and the Government has demonstrated its commitment to an evidence-based process when setting the level of support renewable technologies receive.

### **Financial Results**

For the first half of 2013, revenues increased by 27% on last half-year. The strong growth in customer numbers for both electricity and gas has been a key contributor, coupled with a strong half-year performance from Delabole, with generation tracking well ahead of where it is expected to be.

Gross margin has increased by £1.2m compared to the first half of 2012 to £6.3m. Gross margin percentage has fallen back slightly to 34% compared with 35%. The price reduction on gas in August 2012 impacted on this, but was then largely countered by the price increase in electricity in December 2012. This balancing of prices helped to drive the substantial growth in dual fuel customers, in 2012 and now into 2013, along with significant improvements in Good Energy's trading performance, has meant that the margin is now stabilising at 34%.

Profit before tax (un-audited) for the six months to 30 June 2013 has broken through the £1m mark, reaching £1.17m, a 47% increase compared to the first half of 2012.

Profit for the period after taxation was £0.93m, an increase of 52% from £0.61m for the same period in 2012 and equivalent to 7.8p per ordinary share (2012: 8.7p). The 0.9p decrease in earnings per share is due to the issue of 4.7m shares in July 2012. The proceeds from the share issue were invested in medium term projects which will start to deliver growth from 2014 onwards.

The balance sheet continues to strengthen and cash remains healthy at £1.7m in addition to working capital facilities and new Revolving Credit Facility. Cash raised from the 2012 share issue, along with the new Revolving Credit Facility continues to be invested in the development of generation assets, both at pre-planning stage on solar and wind, and construction. Our cash balance of £1.7m reflects the investment made into our generation projects in 2013, and also coming out of a harsh winter period June is typically a low point in our cash cycle. As at 23 September 2013 our cash balance is £6.7m which includes the £2.68m funds raised in July 2013 from the Placing and Open Offer.

---

---

**Outlook**

Overall we are encouraged by our progress so far this year. Two important highlights include starting construction on Hampole wind farm and reaching the landmark of 100,000 customers. We expect to maintain customer growth levels, and to see our new trading systems deliver sustained value. The implementation of our CRM continues and will further improve our cost to serve, we aim to have this in place by the end of 2013.

We aim to develop, own and operate more renewable generation capacity, targeting 50% of our customer's future electricity supply, and expect to see more sites out of planning by Christmas. Good Energy is well placed to continue to successfully deliver on our strategic goals, underpinned by our commitment to a cleaner, green and more secure energy future for the UK.



**Juliet Davenport OBE**  
Chief Executive  
30 September 2013

## Consolidated Statement of Comprehensive Income for the 6 months ended 30 June 2013

	Note	Un-audited 6 months to 30/06/13 £000's	Un-audited 6 months to 30/06/12 £000's	Audited 12 months to 31/12/12 £000's	
REVENUE		18,204	14,293	28,202	
Cost of sales		(11,950)	(9,223)	(18,653)	
<b>GROSS PROFIT</b>		<b>6,254</b>	<b>5,070</b>	<b>9,550</b>	
Administrative expenses		(4,839)	(3,943)	(7,525)	
<b>OPERATING PROFIT</b>		<b>1,415</b>	<b>1,127</b>	<b>2,025</b>	
Finance income		64	6	39	
Finance costs		(305)	(337)	(688)	
<b>PROFIT BEFORE TAX</b>		<b>1,174</b>	<b>796</b>	<b>1,376</b>	
Taxation		(248)	(186)	(191)	
<b>PROFIT FOR THE PERIOD</b>		<b>926</b>	<b>610</b>	<b>1,184</b>	
<b>Other comprehensive income:</b>					
Net gains on cash flow hedge		114	-	-	
Other comprehensive income for the period, net of tax		114	-	-	
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD ATTRIBUTABLE TO OWNERS OF THE PARENT COMPANY</b>		<b>1,040</b>	<b>610</b>	<b>1,184</b>	
Earnings per share					
	- Basic	5	7.8p	8.7p	13.2p
	- Diluted		7.5p	8.4p	12.6p



## Consolidated Statement of Financial Position as at 30 June 2013

	Un-audited 30/06/2013 £000's	Un-audited 30/06/2012 £000's (re-presented)	Audited 31/12/2012 £000's
<b>Non-current assets</b>			
Property, plant and equipment	17,633	11,402	11,012
Intangible assets	3,118	2,314	2,938
Derivative financial instruments	114	-	-
<b>Total non-current assets</b>	<b>20,865</b>	<b>13,716</b>	<b>13,950</b>
<b>Current assets</b>			
Inventories	4,098	2,299	2,677
Trade and other receivables	5,470	5,266	3,813
Cash and cash equivalents	1,716	5,054	9,535
<b>Total current assets</b>	<b>11,284</b>	<b>12,619</b>	<b>16,025</b>
<b>TOTAL ASSETS</b>	<b>32,149</b>	<b>26,335</b>	<b>29,975</b>
<b>Equity and Liabilities</b>			
<b>Capital and reserves</b>			
Called up share capital	626	391	626
Share premium account	6,729	3,536	6,729
Other reserves	(308)	(470)	(470)
Retained earnings	4,866	3,904	4,167
<b>Total equity</b>	<b>11,913</b>	<b>7,361</b>	<b>11,052</b>
<b>Non-current liabilities</b>			
Deferred taxation	688	396	644
Borrowings	9,110	8,927	8,659
<b>Total non-current liabilities</b>	<b>9,798</b>	<b>9,323</b>	<b>9,302</b>
<b>Current liabilities</b>			
Borrowings	567	526	543
Trade and other payables	9,592	8,794	9,001
Current tax payable	279	332	76
<b>Total current liabilities</b>	<b>10,438</b>	<b>9,651</b>	<b>9,621</b>
<b>Total liabilities</b>	<b>20,236</b>	<b>18,974</b>	<b>18,923</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>32,149</b>	<b>26,335</b>	<b>29,975</b>

## Consolidated Statement of Changes in Equity as at 30 June 2013

	Share capital £000's (re-presented)	Share premium £000's (re-presented)	Other reserves £000's (re-presented)	Retained earnings £000's	Total £000's
At 1 January 2012	391	3,536	(537)	3,313	6,703
Profit for the period	-	-	-	610	610
Total comprehensive income for the period	-	-	-	610	610
Purchase of shares by EBT	-	-	(50)	-	(50)
Sale of shares by EBT	-	-	117	(19)	98
Total contributions by and distributions to owners of the Parent, recognised directly in equity	-	-	67	(19)	48
At 30 June 2012	391	3,536	(470)	3,904	7,361
At 1 July 2012	391	3,536	(470)	3,904	7,361
Profit for the period	-	-	-	574	574
Total comprehensive income for the period	-	-	-	574	574
Shares issued in the period	235	3,765	-	-	4,000
Cost of shares issued in the period	-	(572)	-	-	(572)
Dividend paid	-	-	-	(311)	(311)
Total contributions by and distributions to owners of the Parent, recognised directly in equity	235	3,193	-	(311)	3,117
At 31 December 2012	626	6,729	(470)	4,167	11,052
At 1 January 2013	626	6,729	(470)	4,167	11,052
Profit for the period	-	-	-	926	926
Other comprehensive income for the period	-	-	114	-	114
Total comprehensive income for the period	-	-	114	926	1,040
Sale of shares by EBT	-	-	48	9	57
Dividend paid	-	-	-	(236)	(236)
Total contributions by and distributions to owners of the Parent, recognised directly in equity	-	-	48	(227)	(179)
At 30 June 2013	626	6,729	(308)	4,866	11,913

## Consolidated Statement of Cash Flows as at 30 June 2013

	Un-audited 30/06/2013 £000's	Un-audited 30/06/2012 £000's (re-presented)	Audited 31/12/2012 £000's
<b>Cash flows from operating activities:</b>			
Operating cash (outflow)/inflow	(431)	3,455	6,045
Finance income	64	6	39
Finance costs	(305)	(337)	(688)
Income tax received	-	192	178
<b>Net cash flows (used in)/from operating activities</b>	<b>(672)</b>	<b>3,316</b>	<b>5,574</b>
<b>Cash flows from investing activities:</b>			
Acquisitions of property, plant and equipment	(6,923)	(258)	(275)
Acquisitions of intangible assets	(520)	(162)	(786)
<b>Net cash flows (used in)/from investing activities</b>	<b>(7,443)</b>	<b>(420)</b>	<b>(1,061)</b>
<b>Cash flows from financing activities:</b>			
Payments of dividends	(236)	-	(311)
Bank financing advanced	750	-	-
Bank financing repaid	(200)	(190)	(369)
Capital repayments of finance leases	(75)	(69)	(143)
Proceeds from issue of shares	-	-	3,428
Purchase of shares	-	(50)	(50)
Sale of own shares	57	98	98
<b>Net cash flows from/(used in) financing activities</b>	<b>296</b>	<b>(212)</b>	<b>2,653</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(7,819)</b>	<b>2,684</b>	<b>7,166</b>
Cash and cash equivalents at beginning of the period	9,535	2,370	2,370
<b>Cash and cash equivalents at end of the period</b>	<b>1,716</b>	<b>5,054</b>	<b>9,535</b>

---

## Notes to the Interim Accounts as at 30 June 2013

### 1. General Information and basis of preparation

Good Energy Group Plc is a public listed company incorporated in the United Kingdom under the Companies Act 1985.

The Company is listed on the Alternative Investment Market (AIM) of the London Stock Exchange. The Company's registered office and its principal place of business is Monkton Reach, Monkton Hill, Chippenham, Wiltshire, SN15 1EE.

The Interim Financial Statements were prepared by the Directors and approved for issue on 30 September 2013. 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 2012 were approved by the Board of Directors on 8 April 2013 and delivered to the Registrar of Companies. The report of the auditors on those accounts was unqualified and did not contain an emphasis of matter paragraph and did not contain any statement under section 498 of the Companies Act 2006.

The accounting policies applied in the Interim Financial Statements are consistent with those described in the Annual Financial Statements for the year ended 31 December 2012. Where new standards or amendments to existing standards have become effective during the year, there has been no material impact on the results of the Group.

Certain statements within this report are forward looking. The expectations reflected in these statements are considered reasonable. However, no assurance can be given that they are correct. As these statements involve risks and uncertainties the actual results may differ materially from those expressed or implied by these statements.

These Interim Financial Statements have not been audited.

#### *Re-presentation of Comparative Amounts*

During the course of the preparation and admission of the Company to AIM and the subsequent preparation of the 2012 Annual Report, the Directors performed a comprehensive update and review of the disclosures required in the Annual Report and Financial Statements of the Company.

As a consequence the information for the year ended 31 December 2012 was prepared reflecting the following presentational changes. The figures for the period ended 30 June 2012 are re-presented where necessary. There is no impact on the overall results for these periods.

- In respect of the period ended 30 June 2012, ordinary shares of the Company of £0.54m which are held by the Good Energy Employee Benefit Trust have been reclassified from share capital and share premium to other reserves.

### 2. Going-concern basis

The Group meets its day to day working capital requirements through its bank facilities. The Directors have reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. The Group therefore continues to adopt the going concern basis in preparing its condensed Interim 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 consolidated financial statements for the year ended 31 December 2012.

---

---

**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 Group's Annual Financial Statement as at 31 December 2012.

**5. Earnings per share**

The calculation of basic earnings per share at 30 June 2013 was based on a weighted average number of ordinary shares outstanding for the six months to 30 June 2013 of 11,817,991 (for the six months to 30 June 2012: 6,971,256 and for the full year 2012: 8,991,576) after excluding the shares held by Clarke Willmott Trust Corporation Limited in trust for the Good Energy Group Employee Benefit Trust.

**6. Share Placing and Open Offer**

A Share Placing and Open Offer to shareholders, both being completed on admission of relevant shares to trading on AIM on 31 July 2013, resulted in the issue of 2,145,247 ordinary shares at 125p per share raising approximately £2.68m before costs.

---



Good Energy Group Plc

Registered office:  
Monkton Reach,  
Monkton Hill,  
Chippenham,  
Wiltshire, SN15 1EE

Registered in England and Wales with company registration number 4000623

The wind turbines pictured are on  
Mackie's Farm in Scotland.

It's part of a growing community of  
independent generators we support  
across Britain, all harnessing natural  
power from the sunshine, wind, water  
or sustainable biogeneration.

We think all energy should be like this.

**Local, natural, everlasting.**

**This is Good Energy.**

---

Interim Report 2013  
Good Energy Group Plc  
Monkton Reach  
Monkton Hill  
Chippenham  
SN15 1EE

[goodenergygroup.co.uk](http://goodenergygroup.co.uk)