Stock Data

Share Price	3.8p
Market Capitalisation	£5.04m
Shares in issue:	130.9m

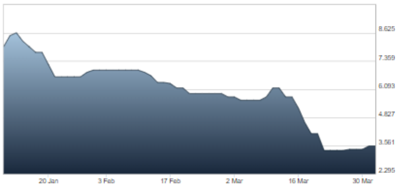
Company Profile

Sector:	Support Services
Ticker:	EAAS
Exchange:	AIM

Activities

eEnergy Group ('eEnergy', 'the Group', 'EAAS') is a UK and Irish leader in the fast growing 'energy efficiency as a service sector'. Its wholly owned division, eLight operates in the 'Lighting-as-a-Service' segment and aims to lead a revolution in how light is provided to Irish and UK commercial buildings

Share price performance since RTO



Source: LSE

Company website: www.eenergyplc.com

Risk warning: Past performance and forecasts are not a reliable indicator of future results.

Turner Pope contact details

Turner Pope Investments ('TPI') Ltd
8 Frederick's Place
London EC2R 8AB

Tel: 0203 657 0050
Email: info@turnerpope.com
Web: www.turnerpope.com

Attention is drawn to the disclaimers and risk warnings at the end of this document.

Please note: This is a non-independent marketing communication. The analyst who has prepared this report is aware that TPI has a relationship with the company covered in this report. Accordingly, it has not been prepared in accordance with legal requirements designed to promote the independence of investment research and is not subject to any prohibition on dealing ahead of the dissemination of investment research.

TPI acts as sole broker to eEnergy Group plc.

Retail clients (as defined by the rules of the FCA) must not rely on this document.

Barry Gibb
Research Analyst
Tel: 0203 657 0061
barry.gibb@turnerpope.com

Andrew Thacker
Corporate Broking & Sales
Tel: 0203 657 0050
andy.thacker@turnerpope.com

Zoe Alexander
Corporate Broking & Sales
Tel: 0203 657 0050
zoe.alexander@turnerpope.com

eEnergy Group plc

eEnergy Group has released an update detailing its progress in the Schools Sector while also considering the impact of the Coronavirus. Through its eLight subsidiary, eEnergy provides LaaS ('Light-as-a-Service') to businesses and schools to help them switch to LED lighting for a fixed monthly service fee, avoiding any upfront payments. While the lockdown imposed due to the COVID-19 pandemic has inevitably resulted in some deferrals of scheduled installations amongst its commercial SME/retail customers, the schools shutdown has alternatively prompted many to accelerate such fitment programmes during the time their premises are unoccupied. While eEnergy's Board now sees the net result being to push-back its anticipated breakeven point by six or so months into the first half its new financial year, proposals amounting to €12.5m for the quarter still suggest activity levels sufficient for the Group to remain on track to hit TPI's original 2020/21 revenue target. With significant uncertainties regarding the full consequences of the Pandemic still remaining, however, TPI's financial projections for eEnergy presently remain 'under review'. When conditions are able to return to something like 'normal' once again, its flexible business model should position eEnergy both to capture an expanded market share from customers seeking heightened energy efficiencies, while also throwing out new acquisition opportunities within a peer group that will almost certainly have become financially weakened by the crisis. eEnergy operates in an international marketplace that has been projected to grow at a compound-average-growth-rate ('CAGR') of 16.6%[1] over the next 7 years. *[1]Navigant Research*

New Contracts in the Schools Sector

From 1 January 2020 to 3 April 2020, eEnergy signed a total of 48 new contracts which includes 21 schools in the UK and Ireland, all of which eLight is transitioning to LED lighting. This high number of contracts reflects success of the Group's sales operation, which has generated a total of €12.5m of new proposals in the period. The Group is currently seeing a conversion rate of 40% of proposals to schools move to signed contract in just 5 weeks and is currently actively engaged with over 150 school proposals; its Board estimates around 80% of UK schools have yet to transition to energy efficient lighting. Despite the spread of COVID-19, no signed projects have been cancelled although in some cases the installation has been delayed to the summer holidays.

Combined, eEnergy expects to save these schools c.£360,000 in energy costs and 618 tonnes in carbon emissions per year. New contracts include some of the UK's leading independent schools, such as Marlborough College in Wiltshire and Wycliffe College in Gloucestershire, as well as the Group's first project with Academy Trusts in the UK to roll out LED lighting across multiple sites along with a number of state primaries. As a marketing initiative in light of the Pandemic, eEnergy is presently offering new School LaaS contracts a three-month payment holiday as an incentive to accelerate their transition to LED lighting, together with a deep hygiene clean of the entire school to reduce the risk of future infection.

Response to COVID-19

Like most enterprises, all eEnergy employees are now working remotely and installation partners are observing social distancing precautions when it is appropriate to work. In Ireland, the Group has rebalanced its sales strategy away from the Commercial SME sector, which has been hit hardest by the Pandemic, towards public sector schools in both Eire and Northern Ireland.

Outlook

Each of the first 3-months of 2020 saw the Group sign an average total contract value of €1m, which is 2.50 times that delivered in the comparable period. The impact of certain scheduled installations being delayed until the summer holidays, however, means that revenues will be generated later than expected, which is seen pushing back eEnergy's break-even point into the first half of its 2020/21 financial year, rather than by the current year end. Yet based on its estimated pipeline and other visibility, the Board can still see potential for its total signed contract value to be as much c.€12 million by end-December 2020 despite the impact of COVID-19. Although TPI's own forecasts remain 'under review' due to this crisis period, if achieved this figure would be in-line with our original 2020/21 eEnergy revenue projections at the time of its RTO. The Group also retains a strong balance sheet with cash of €1.4m as at 31 March 2020.

THIS DOCUMENT IS NOT FOR PUBLICATION, DISTRIBUTION OR TRANSMISSION INTO THE UNITED STATES OF AMERICA, JAPAN, CANADA OR AUSTRALIA.

Conflicts

This is a non-independent marketing communication under the rules of the Financial Conduct Authority ("FCA"). The analyst who has prepared this report is aware that Turner Pope Investments (TPI) Limited ("TPI") has a relationship with the company covered in this report. Accordingly, the report has not been prepared in accordance with legal requirements designed to promote the independence of investment research and is not subject to any prohibition on dealing by TPI or its clients ahead of the dissemination of investment research.

TPI manages its conflicts in accordance with its conflict management policy. For example, TPI may provide services (including corporate finance advice) where the flow of information is restricted by a Chinese wall. Accordingly, information may be available to TPI that is not reflected in this document. TPI may have acted upon or used research recommendations before they have been published.

Risk Warnings

Retail clients (as defined by the rules of the FCA) must not rely on this document.

Any opinions expressed in this document are those of TPIs research analyst. Any forecast or valuation given in this document is the theoretical result of a study of a range of possible outcomes and is not a forecast of a likely outcome or share price.

The value of securities, particularly those of smaller companies, can fall as well as rise and may be subject to large and sudden swings. In addition, the level of marketability of smaller company securities may result in significant trading spreads and sometimes may lead to difficulties in opening and/or closing positions. Past performance is not necessarily a guide to future performance and forecasts are not a reliable indicator of future results.

AIM is a market designed primarily for emerging or smaller companies and the rules of this market are less demanding than those of the Official List of the UK Listing Authority; consequently AIM investments may not be suitable for some investors. Liquidity may be lower and hence some investments may be harder to realise.

Specific disclaimers

TPI acts as sole broker to eEnergy Group plc ('eEnergy') which is listed on the AIM Market of the London Stock Exchange ("AIM"). TPIs private and institutional clients may hold, subscribe for or buy or sell eEnergy's securities.

Opinions and estimates in this document are entirely those of TPI as part of its internal research activity. Where information utilised in this document has been provided to TPI by eEnergy and/or is attributed to eEnergy or a third-party source, that information has not been subject to any independent verification or evaluation by TPI or any other party. TPI has no authority whatsoever to make any representation or warranty on behalf of eEnergy.

General disclaimers

This document, which presents the views of TPIs research analyst, cannot be regarded as “investment research” in accordance with the FCA definition. The contents are based upon sources of information believed to be reliable but no warranty or representation, express or implied, is given as to their accuracy or completeness. Any opinion reflects TPIs judgement at the date of publication and neither TPI nor any of its directors or employees accepts any responsibility in respect of the information or recommendations contained herein which, moreover, are subject to change without notice. Any forecast or valuation given in this document is the theoretical result of a study of a range of possible outcomes and is not a forecast of a likely outcome or share price. TPI does not undertake to provide updates to any opinions or views expressed in this document. TPI accepts no liability whatsoever (in negligence or otherwise) for any loss howsoever arising from any use of this document or its contents or otherwise arising in connection with this document (except in respect of wilful default and to the extent that any such liability cannot be excluded by applicable law).

The information in this document is published solely for information purposes and is not to be construed as a solicitation or an offer to buy or sell any securities or related financial instruments. The material contained in the document is general information intended for recipients who understand the risks associated with equity investment in smaller companies. It does not constitute a personal recommendation as defined by the FCA or take into account the particular investment objectives, financial situation or needs of individual investors nor provide any indication as to whether an investment, a course of action or the associated risks are suitable for the recipient.

This document is approved and issued by TPI for publication only to UK persons who are authorised persons under the Financial Services and Markets Act 2000 and to professional clients, as defined by Directive 2004/39/EC as set out in the rules of the Financial Conduct Authority. This document may not be published, distributed or transmitted to persons in the United States of America, Japan, Canada or Australia. This document may not be copied or reproduced or re-distributed to any other person or organisation, in whole or in part, without TPIs prior written consent.