THIS ANNOUNCEMENT CONTAINS INSIDE INFORMATION FOR THE PURPOSES OF REGULATION 11 OF THE MARKET ABUSE (AMENDMENT) (EU EXIT) REGULATIONS 2019/310

31 March 2022

Sabien Technology Group Plc
("Sabien", the "Company" or the "Group")

Unaudited Interim Results for the six months ended 31 December 2021

Sabien Technology Group plc (AIM: SNT), a Company focussed on building a portfolio of solutions, in the heating, cooling and transportation sectors, that deliver immediate reductions in CO_2 emissions announces its unaudited interim results for the six-month period ended 31 December 2021 (the "Period") (comparative figures are shown for the comparable period in the previous financial year unless otherwise stated):

Highlights in the Period

- Sales revenue £121k (2020: £412k)
- Sales orders received £278k (2020: £362k)
- M2G units sold 15 (2020: 175)
- M2G cloud solution packages sold 31 (2020: nil)
- Gross profit £75k (2020: £325k)
- Gross profit margin 62% (2020: 79%)
- Loss before tax £569k (2020: £310k loss)
- Net cash at the end of the period £624k (£229k as at 31 December 2020)
- Overseas sales £6k (2020: £18k)
- Completion of significant initial £100k investment in emerging green oil to hydrogen technology – Proton Technologies Canada Inc (**"Proton"**)
- Established a special purpose vehicle to develop City Oil Field Inc. (**"COF"**) installations internationally called b.grn Group Ltd (**"b.grn"**), pronounced "Be Green"
- Signed a Memorandum of understanding (**"MOU"**) with COF and b.grn to formalise the purchase price of COF equipment and Sabien's revenue model from the arrangement

Highlights since the period end

- Sales of £269k to 31 March 2022 (£560k for three months ended 31 March 2021)
- Net cash balance of £325k to 31 March 2022. (£1.76m to 24 March 2021)
- **£264k Further Repeat Order 1** – order received via a major facilities management contractor on behalf of a UK government department, £206k has been recognised prior to 31 March 2022, the balance of installation and cloud services revenue (total £58k) will be recognised in FY22 and FY23 with timing not yet finalised.

- **£264k Further Repeat Order 2** – confirmation has been received that a further £264k repeat order from the same UK government department via a different facilities management contractor will be placed within the next two weeks. The revenue profile will be the same as the first £264k order.

- Completion of significant £100k investment in emerging green technology

- Completion of United Kingdom licence agreement with Proton for the provision of an onshore 20 tonnes of hydrogen per day processing facility

- Completion of option agreement with Proton to establish a COF facility at Proton's site in Saskatchewan, Canada

- MOU signed with Irish Renewable Fuels Ltd in relation to the potential establishment of a COF facility at a site in Ireland

- b.grn signed a framework agreement with a subsidiary of Tate Group Limited ("**Tate**") for Tate to become Sabien and b.grn's COF development manager

Chairman's statement

Since Sabien's last annual report in August 2021, much has happened on an economic level and within Sabien's business that reinforces that Sabien is well positioned to capitalise on the current "Green Economic" boom. We have all watched the conflict in Ukraine in a state of horror, and the economic knock-on impact will be significant. Oil prices recently hit a 14 year high of $130 per barrel and gas prices recently hit an all-time high of over 500p per therm. Coupled with this, the United Nations endorsed an historic resolution on 2 March 2022 to end plastic pollution by addressing the whole lifecycle of plastic, including its production, design and disposal. Sabien's Green Aggregation Strategy has begun to focus on three key areas – the existing Sabien CO2 mitigation device for commercial boilers – M2G, the UK rollout of Proton's oil to hydrogen technology, and the COF plastic to oil technology. Key updates on these areas are as follows.

<u>M2G Business</u>

The M2G business has been adversely impacted by the world semiconductor supply shortage which has delayed Sabien's sales pipeline conversion. In addition to this, there has been significant Covid related churn in personnel with Sabien's key partners which has also delayed sales. Despite this, we consider that the future for the M2G business is strong. While the sales were disappointing during the first half, the order flow has not dropped significantly, and the Board is hopeful of recovering the sales during 2022, with the impact on Group profitability due to the delay in sales expected to be materially neutral over a 12-month period providing supply chain difficulties do not worsen.

The key metrics to note are the growth in sales of M2G Cloud Solutions (31 in the period, with open forward orders to install a further 115 plus 103 from Further Repeat Order 2) and that more than half of the customers having Cloud Solutions installed have ongoing discussions to install to the customer's wider worldwide, EMEA or UK estates. Customer feedback from the M2G Cloud Solution to date has been very positive. In addition, our channel partner strategy is developing with 56% of sales orders received in the period through channel partners compared to 12% in the same period in FY21.

Consultancy is now an integral part of our solution and is included with all new business. The efficiency insight analytics M2G Cloud connect delivers is unique and well received by clients. The Energy Savings dashboard has an annual renewal which is developing Sabien's recurring revenue streams.

It is also encouraging to see the forward order book of £404k (including Further Repeat Order 2) of which at least £345k is expected to convert to revenue before the end of the financial year. The next generation of the M2G Cloud Solution – the M2G Evo – development is well advanced and will be market ready before the end of 2022.

Proton UK Business
Discussions are ongoing with multiple UK oil field owners to identify suitable sites. Owners are motivated to develop a hydrogen production facility on their near to end of life fields, but the sites identified to date have not been suitable for a Proton installation.

COF Business
In combination with Sabien's b.grn development partner, potential sites have been identified in England, Ireland, Finland and also at Proton's site in Saskatchewan Canada. B.grn has appointed a development manager – Tate Group Ltd. Sabien's sales agency revenue model with COF has been contractually agreed. Market analysis of the UK plastic waste market is underway to identify the best input to be used in the COF process which is able to process the majority of plastic waste types, as well as mixed or dirty waste streams.

Sabien working capital and director's loan
In order to support the ongoing development of Sabien's business and to provide further working capital, I have agreed to provide a loan facility of up to £209k to the Company through Parris Group Ltd (the "**Loan**")**.** The Loan, which has an initial term of 12 months, can be repaid by any means, including from the proceeds of the exercise of warrants I have in the Company which expire in February 2023 (see the announcement of 3 February 2021 – the "**Warrants**"). The key terms of the Loan are as follows:

- Up to £209,302.33 (the exercise value of the Warrants)
- Interest rate of 6%
- Interest payable quarterly
- Repayable on demand, after an initial period of 12 months unless replaced by another debt facility
- Able to be repaid by the exercise of the Warrants or by way of participation in a wider equity fundraising
- Unsecured
- For working capital purposes
- £100,000 has been immediately drawn down

In addition to the Loan, the £528k from Further Repeat Orders 1 and 2 will provide additional working capital for the Group to continue for a period of not less than 12 months from today's date. Approximately £150,000 of the cash expended during the first half of the year was of a non-recurring nature. The Company will review its longer-term working capital requirements as part of the audit process for the current financial year.

In summary, the Board remains committed to Sabien's strategic direction and expects the strategy to deliver value for shareholders in the near future.

Richard Parris
Executive Chairman
31 March 2021

Related Party Transaction

Parris Group Ltd is a Company controlled by Richard Parris, the Executive Chairman of the Company, and his family. The Board, other than Mr Parris, considers, having consulted with Allenby Capital Limited, the Company's nominated adviser, that the terms of the Loan are fair and reasonable insofar as its shareholders are concerned.

For further information:

Sabien Technology Group plc Richard Parris, Executive Chairman	+44 20 7993 3700
Allenby Capital Limited (Nominated Adviser) John Depasquale / Nick Harriss / Vivek Bhardwaj	+44 203 328 5656
Peterhouse Capital Limited (Broker) Duncan Vasey / Lucy Williams	+44 207 469 0930

Sabien Technology Group Plc

Unaudited Condensed Group Statement of Comprehensive Income for the period ended 31 December 2021

	Notes	6 months to 31 December 2021 Unaudited £'000	6 months to 31 December 2020 Unaudited £'000	Year to 30 June 2021 Audited £'000
Revenue		121	412	971
Cost of Sales		(46)	(87)	(153)
Gross Profit		75	325	818
Administrative expenses		(639)	(522)	(1,182)
Exceptional item		(9)	(132)	(180)
Operating loss		**(573)**	**(329)**	**(544)**
Other income		8	19	35
Finance expense		(4)	-	-
Loss before tax		(569)	(310)	(509)
Tax credit		-	-	-
Loss for the period attributable to equity holders of the parent company		**(569)**	**(310)**	**(509)**
Other comprehensive income for the period		**(1)**	**-**	**-**
Total comprehensive income for the period		**(570)**	**(310)**	**(509)**
Loss per share in pence - basic	3	(3.90)p	(8.55)p	(6.40)p
Loss per share in pence - diluted	3	(3.90)p	(8.55)p	(6.40)p

Sabien Technology Group Plc

Unaudited Condensed Group Statement of Financial Position as at 31 December 2021

	Notes	31 December 2021 Unaudited £'000	31 December 2020 Unaudited £'000	30 June 2021 Audited £'000
ASSETS				
Non-current assets				
Property, plant and equipment		2	29	35
Other intangible assets		83	80	57
Investments		200	-	100
Total non-current assets		285	109	192
Current assets				
Inventories		27	42	24
Trade and other receivables		166	70	51
Cash and cash equivalents		624	229	1,399
Total current assets		817	341	1,474
TOTAL ASSETS		**1,102**	**450**	**1,666**
EQUITY AND LIABILITIES				
Current liabilities				
Trade and other payables		137	366	161
Borrowings		36	-	36
Total current liabilities		173	366	197
Non-current liabilities				
Borrowings		127	181	145
Total non-current liabilities		127	181	145
EQUITY				
Equity attributable to equity holders of the parent				
Share capital	4	3,354	3,058	3,350
Other reserves		3,553	2,181	3,509
Translation reserve		(1)	-	-
Retained earnings		(6,104)	(5,336)	(5,535)
Total equity		802	(97)	1,324
TOTAL EQUITY AND LIABILITIES		**1,102**	**450**	**1,666**

Sabien Technology Group Plc

Unaudited Condensed Group Cash Flow Statement for the period ended 31 December 2021

	6 months to 31 December 2021 Unaudited £'000	6 months to 31 December 2020 Unaudited £'000	Year to 30 June 2021 Audited £'000
Cash flows from operating activities			
Loss before taxation	(569)	(310)	(509)
Adjustments for:			
Depreciation and amortisation	24	27	51
Finance expense	4	-	-
Foreign currency reserve movement	(1)	-	-
Loss on disposal of fixed assets	-	-	11
Decrease in trade and other receivables	(114)	12	32
Decrease/(increase) in inventories	4	(1)	15
Decrease in trade and other payables	(15)	(262)	(466)
Net cash outflow from operating activities	**(667)**	**(534)**	**(866)**
Cash flows from investing activities			
Investments acquired	(100)	-	(100)
Purchase of property, plant and equipment and intangible assets	-	(15)	(33)
Purchase of intangibles	(24)	-	-
Net cash outflow from investing activities	**(124)**	**(15)**	**(133)**
Cash flows from financing activities			
Proceeds from share issues	48	-	1,700
Repayment of borrowings	(32)	-	-
Share issue costs	-	-	(80)
Net cash generated by financing activities	**16**	-	**1,620**
Net (decrease)/increase in cash and cash equivalents	(775)	(549)	621
Cash and cash equivalents at beginning of period	1,399	778	778
Cash and cash equivalents at end of period	**624**	**229**	**1,399**

Sabien Technology Group Plc

Unaudited Condensed Group Statement of Changes in Equity as at 31 December 2021

	Share capital	Share premium	Share based payment reserve	Translation reserve	Retained earnings	Total equity
	£'000	£'000	£'000	£'000	£'000	£'000
Balance at 1 July 2020	**3,058**	**2,180**	**1**	**-**	**(5,026)**	**213**
Loss for the period 1 July 2020 to 31 December 2020	-	-	-	-	(310)	(310)
Balance at 31 December 2020	**3,058**	**2,180**	**1**	**-**	**(5,336)**	**(97)**
Loss for the period 1 January 2021 to 30 June 2021	-	-	-	-	(199)	(199)
Share issue	292	1,408	-	-	-	1,700
Share issue expenses	-	(80)	-	-	-	(80)
Balance at 30 June 2021	**3,350**	**3,508**	**1**	**-**	**(5,535)**	**1,324**
Loss for the period 1 July 2021 to 31 December 2021	-	-	-	-	(569)	(569)
Warrant issue	-	(28)	28	-	-	-
Share issue	4	44	-	-	-	48
Exchange difference on consolidation	-	-	-	(1)	-	(1)
Balance at 31 December 2021	**3,354**	**3,524**	**29**	**(1)**	**(6,104)**	**802**

Sabien Technology Group Plc

Notes to the Financial Statements for the period ended 31 December 2021

1. Accounting policies

The interim financial information has not been audited or reviewed by the auditors and does not constitute statutory accounts for the purpose of Sections 434 and 435 of the Companies Act 2006.

The financial information in this document has been prepared using accounting principles generally accepted under International Financial Reporting Standards and is consistent with those used in the preparation of the most recent annual financial statements.

The following significant principal accounting policies have been used consistently in the preparation of the consolidated financial information of the Group. The consolidated information comprises the Company and its subsidiaries (together referred to as "the Group").

a) **Basis of Preparation**: The financial information in this document has been prepared using accounting principles generally accepted under UK adopted International Financial Reporting Standards ("IFRS").

The directors expect to apply these accounting policies which are consistent with UK adopted International Financial Reporting Standards in the Group's Annual Report and Financial Statements for all future reporting periods.

The Directors believe that, despite the losses incurred in the past six month period and the uncertainty as to the timing of future profitability, the Group is a going concern and have accordingly prepared these financial statements on a going concern basis.

The key performance indicator for the Group is M2G unit sales which showed a reduction in the six months to 15 units (2020: 175). In addition new M2G Cloud sales were 31 units in the period (2020:nil). Despite this, the Statement of Financial Position showed positive net assets of £802k at 31 December 2021 and cash reserves of £624k. The cashflow forecasts prepared by the Directors confirm that the Group will have sufficient working capital to settle its liabilities as they fall due for a period of not less than 12 months from the date of the approval of these financial statements.

The interim consolidated financial statements have been prepared on the historical cost basis and are presented in £'000 unless otherwise stated.

b) **Basis of consolidation**: The condensed consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries) at 31 December 2021. Control is achieved where the Company has the power to govern the financial and operating policies of an investee entity so as to obtain benefit from its activities.

Except as noted below, the financial information of subsidiaries is included in the condensed consolidated financial statements using the acquisition method of accounting. On the date of acquisition the assets and liabilities of the relevant subsidiaries are measured at their fair values.

All intra-Group transactions, balances, income and expenses are eliminated on consolidation.

Accounting for the Company's acquisition of the controlling interest in Sabien Technology Limited: The Company's controlling interest in its directly held subsidiary, Sabien Technology Limited, was acquired through a transaction under common control, as defined in IFRS 3 Business Combinations. The directors note that transactions under common control are outside the scope of IFRS 3 and that there is no guidance elsewhere in IFRS covering such transactions.

IFRS contain specific guidance to be followed where a transaction falls outside the scope of IFRS. This guidance is included at paragraphs 10 to 12 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors. This requires, inter alia, that where IFRS does not include guidance for a particular issue, the directors may also consider the most recent pronouncements of other standard setting bodies that use a similar conceptual framework to develop accounting standards. In this regard, it is noted that the UK standard FRS 6 addresses the question of business combinations under common control.

In contrast to IFRS 3, FRS 6 sets out accounting guidance for transactions under common control. The guidance contained in FRS 6 indicates that merger accounting may be used when accounting for transactions under common control.

Having considered the requirements of IAS 8, and the guidance included in FRS 6, it is considered appropriate to use a form of accounting which is similar to pooling of interest when dealing with the transaction in which the Company acquired its controlling interest in Sabien Technology Limited.

In consequence, the condensed consolidated financial statements for Sabien Technology Group Plc report the result of operations for the period as though the acquisition of its controlling interest through a transaction under common control had occurred at 1 October 2005. The effect of intercompany transactions has been eliminated in determining the results of operations for the year prior to acquisition of the controlling interest, meaning that those results are on substantially the same basis as the results of operations for the year after the acquisition of the controlling interest.

Similarly, the consolidated balance sheet and other financial information have been presented as though the assets and liabilities of the combining entities had been transferred at 1 October 2005.

Whilst FRS 6 is no longer effective similar requirements are set out in the current UK Financial Reporting Standard, FRS 102, in respect of such transactions.

The Group took advantage of Section 131 of the Companies Act 1985 and debited the difference arising on the merger with Sabien Technology Limited to a merger reserve.

c) **Property, plant and equipment**: Property, plant and equipment are stated at cost less accumulated depreciation. Assets are written off on a straight-line basis over their estimated useful life commencing when the asset is brought into use. The useful lives of the assets held by the Group are considered to be as follows:

Office equipment, fixtures and fittings	3-4 years

d) **Intangible assets**: Intellectual property, which is controlled through custody of legal rights and could be sold separately from the rest of the business, is capitalised where fair values can be reliably measured.

Intellectual property is amortised on a straight line basis evenly over its expected useful life of 20 years.

Impairment tests on the carrying value of intangible assets are undertaken:

- At the end of the first full financial year following acquisition; and
- In other periods if events or changes in circumstances indicate that the carrying value may not be fully recoverable.

If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Recoverable amount is the higher of the fair value, less costs to sell, and value in use. In assessing the value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but only in so far that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised in income immediately.

e) **Fixed asset investments**: Fixed asset investments are stated at cost less any provision for impairment in value.

f) **Inventories:** Inventories are valued at the lower of average cost and net realisable value.

g) **Financial Instruments**

Financial Assets

The Group classifies its financial assets as financial assets at amortised cost and cash. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

Financial assets amortised cost are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the balance sheet date. These are classified as non-current assets.

Trade receivables are classified as financial assets at amortised cost and are recognised at fair value less provision for impairment. Trade receivables, with standard payment terms of between 30 to 65 days, are recognised and carried at the lower of their original invoiced and recoverable amount. Where the time value of money is material, receivables are carried at amortised cost.

A loss allowance is recognised on initial recognition of financial assets held at amortised cost, based on expected credit losses, and is re-measured annually with changes appearing in profit or loss. Where there has been a significant increase in credit risk of the financial instrument since initial recognition, the loss allowance is measured based on lifetime expected losses. In all other cases, the loss allowance is measured based on 12-month expected losses. For assets with a maturity of 12 months or less, including trade receivables, the 12-month expected loss allowance is equal to the lifetime expected loss allowance.

Short term financial assets are measured at transaction price, less any impairment. Loans receivable are measured at transaction price net of transaction costs and measured subsequently at amortised cost using the effective interest method, less any impairment.

Financial Liabilities

The Group classifies its financial liabilities as trade payables and other short term monetary liabilities. Trade payables and other short term monetary liabilities are recorded initially at their fair value and subsequently at amortised cost. They are classified as non-current when the payment falls due more than 12 months after the balance sheet date.

h) **Cash and Cash Equivalents**

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short term highly liquid investments with original maturities of three months or less, and bank overdrafts.

i) **Revenue recognition**

Revenue is measured based on the consideration to which the Group expects to be entitled in a contract with a customer and excludes amounts collected on behalf of third parties. The Group recognises revenue when it transfers control of a product or service to a customer.

Revenue from sale of goods is recognised upon delivery and installation at a customer site or delivery to a customer's incumbent facilities manager which subsequently carries out the installation itself. However, in this latter case, where the Group is responsible for the project management of the installations, revenue is recognised upon installation at the customer site. Where goods are delivered to overseas distributors, revenue is recognised at the time of shipment from the Company's warehouse.

Revenue from services generally arises from pilot projects for customers and is recognised once the pilot has been completed and the results notified to the customer. Pilot projects generally have a duration of between 1 and 3 months.

Revenue from operating lease services rendered to customers is recognised on a straight-line basis.

Revenue is shown net of value-added tax, returns, rebates and discounts and after eliminating sales within the Group.

Interest income is accrued on a time basis by reference to the principal outstanding and at the effective interest rate applicable.

j) **Share-based payments**: The Group has applied the requirements of IFRS2 Share-based Payments. The Group issues options to certain employees. These options are measured at fair value (excluding the effect of non-market based vesting conditions) at the date of grant. The fair value determined at the grant date is expensed on a straight-line basis over the vesting period based on the Group's estimate of the shares that will eventually vest and adjusted for the effect of non-market based vesting conditions.

Fair value is measured by use of the Black-Scholes model. The expected life used in the model has been adjusted, based on management's best estimate for the effects of non-transferability, exercise restrictions and behavioural conditions.

k) **Operating leases (Group as lessee)**: At inception of a contract, the Group assesses whether a contract is, or contains a lease. A lease is defined as 'a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration'. At lease commencement date, the Group recognised a right of use asset and a lease liability on the balance sheet. The right of use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Group, an estimate of any costs to dismantle and remove the asset at the end of the lease and any lease made in advance of the lease commencement date (net of any incentives received).

The Group depreciates the right of use asset on a straight-line basis from the lease commencement date to the earlier of the end of the useful like of the right of use asset or the end of the lease term. The Group also assesses the right of use asset for impairment when such indicators exist. At the commencement date, the Group measures the lease liability at the present value of the lease payments unpaid at the date, discounted using the interest rate implicit in the lease if that rate is readily available or the Group's incremental borrowing rate. Lease payments included in the measurement of the lease liability are made up of fixed payments, variable payments based on an index or rate, amounts expected to be payable under a residual value guarantee, and payments arising from purchase and extension options reasonably certain to be exercised.

Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification, or if there are changes to fixed payments. When the lease liability is remeasured, the corresponding adjustment is reflected in the right of use asset, or profit and loss if the right of use asset is already reduced to zero.

The Group has elected to account for short-term leases and leases of low value assets using the practical expedients. Instead of recognising a right of use assert and lease liability, the payment in relation these are recognised as an expense in profit or loss on a straight-line basis over the lease term. applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged to profit and loss on the straight-line basis over the lease term.

l) **Operating leases (Group as lessor):** Assets leased to customers under operating leases are included in property, plant and equipment and are depreciated over their lease term down to their anticipated realisable value on a straight-line basis. Anticipated realisable values are regularly reassessed and the impact upon the depreciation charge is adjusted prospectively.

m) **Taxation**: The charge for current tax is based on the results for the period as adjusted for items that are non-assessable or disallowed. It is calculated using rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is accounted for using the balance sheet liability method in respect of temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax basis used in the computation of taxable profit. In principle, deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction which affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and associates, and interest in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax is calculated at the rates that are expected to apply when the asset or liability is settled. Deferred tax is charged or credited in the statement of comprehensive income, except when it relates to items credited or charged directly to equity, in which case the deferred tax is also dealt with in equity.

Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

n) **Foreign currencies:** Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the statement of financial position date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

Profit and losses of overseas subsidiary undertakings are translated into sterling at average rates for the year. The statements of financial position of overseas subsidiary undertakings are translated at the rate ruling at the statement of financial position date. Differences arising from the translation of Group investments in overseas subsidiary undertakings are recognised as a separate component of equity.

Net exchange differences classified as equity are separately tracked and the cumulative amount disclosed as a translation reserve.

The principal place of business of the Group is the United Kingdom with sterling being the functional currency.

2. Segmental reporting

Based on risks and returns, the directors consider that the primary reporting business format is by business segment which is currently just the supply of energy efficiency products, as this forms the basis of internal reports that are regularly reviewed by the Company's chief operating decision maker in order to allocate resources to the segment and assess its performance. Therefore, the disclosures for the primary segment have already been given in interim financial information. The secondary reporting format is by geographical analysis by destination. Non-UK revenues amounted to £6k which were 5% of total revenues for the period.

During the period, sales to the Group's largest customers were as follows:

	Sales revenue	**% of total revenue**
	£'000	
Customer 1	76	63
Customer 2	13	11
Customer 3	10	8
Customer 4	5	4

3. Loss per share

The calculation of the basic loss per share is based on the loss attributable to the ordinary shareholders, divided by the weighted average number of shares in issue in the period.

	6 months to 31 December 2021 Unaudited £'000	**6 months to 31 December 2020 Unaudited £'000**	**Year to 30 June 2021 Audited £'000**
Loss for the period	(570)	(310)	(509)
Basic and Diluted:			
Weighted average number of shares in issue	14,630,643	3,626,964	8,899,259
Loss per share – basic and diluted	(3.90)P	(8.55)p	(5.73)p

4. Share capital

The Company's issued Ordinary share capital is:

	Amount	Number of New Ordinary Shares of 3p each	Number of Ordinary Shares of 0.5p each	Number of Deferred Shares of 4.5p each	Number of New Deferred Shares of 0.49p each
Allotted, called up and fully paid:					
At 31 December 2021	£3,354,074	14,720,168	-	44,004,867	190,254,867
At 30 June 2021	£3,349,697	14,574,451	-	44,004,867	190,254,867
At 31 December 2020	£3,057,836	4,845,577	-	44,004,867	190,254,867

5. Share based payments

The Company has issued warrants that entitles the holders to purchase shares in the Company with the warrants exercisable at the price determined at the date of granting the warrant. The terms and conditions of the grants issued are summarised below.

Grant date	Number of instruments	Exercise price	Contractual life of instruments
2 February 2021*	1,395,349	15p	19 February 2023
20 January 2021**	8,333,333	30p	19 January 2022

* Exercise of the warrants is subject to and conditional on the Company's middle market share price for each of the five Business Days immediately preceding the date of the warrant exercise notice being equal to or exceeding 60p per share.
** There are no vesting conditions to be met and all warrants are to be settled by the issue of shares.

The Group has recognised a charge of £nil arising from the share based payments noted above in profit and loss for the period ended 31 December 2021.

During the period 50,000 relevant share warrants were exercised at a price of 30 pence per share.

At the period end there were 9,678,799 warrants outstanding. Post period end, the 8,333,333 20 January 2021 warrants expired.

6. Seasonality

The business of the Group is not seasonal.