25 March 2022

The Parkmead Group plc
("Parkmead", "the Company" or "the Group")

Interim Results for the six-month period ended 31 December 2021

Parkmead, the independent energy group focused on growth through gas, oil and renewable energy projects, is pleased to report its interim results for the six-month period ended 31 December 2021.

HIGHLIGHTS

Revenue tripled, gross profit up 389% and profits recorded at operating and pre-tax levels

- Revenue tripled to £4.6 million for the period (2020: £1.5 million) as the Company benefited from the continued increase in gas prices
- Gross profit increased by 389% to £3.8 million (2020: £0.8 million), demonstrating the high-quality nature of Parkmead's onshore Netherlands assets and strong operating leverage
- Gross profit margin increased to 82% (2020: 50%)
- Operating profit achieved of £1.9 million (2020: £1.1 million loss) or 1.7p on a per share basis
- Profit before tax of £1.3 million (2020: £1.4 million loss)
- Well capitalised, with cash balances of US$32.2 million (£24.1 million) as at 31 December 2021, equivalent to 22.1 pence per share
- Net cash generated from operating activities of £1.7 million (2020: £0.3 million used in operating activities)
- Total assets of £80.5 million at 31 December 2021 (2020: £86.8 million)
- The strong recovery in gas prices continued during the period with prices in June 2021 of around €25/MWh, increasing to around €95/MWh in December 2021
- Due to ongoing geopolitical events, the current gas price has reached €160/MWh in March 2022; Parkmead is 100% unhedged

New two-well drilling campaign in the Netherlands; gas royalty acquisition proving highly beneficial

- Firm budget agreed for the 'LDS' two-well drilling campaign from the Diever site
- The LDS project will target a combined Pmean GIIP of 37.2 billion cubic feet ("Bcf"), in the prolific Rotliegendes reservoirs found on the licence
- Papekop gas development has successfully progressed through the concept select gate and is now in the permitting stage; planned gas development targeting 35.6 Bcf of gross reserves with oil upside
- Acquisition of Netherlands gas royalty completed in July 2021 for a consideration of €565k, doubling Parkmead's effective financial interest from 7.5% to 15% in the Grolloo, Geesbrug and Brakel gas fields
- Parkmead is benefitting strongly from this gas royalty deal, completed ahead of the recent increase in energy prices
- Low-cost onshore gas portfolio in the Netherlands produces from four separate gas fields with an average field operating cost of just US$8.6 per barrel of oil equivalent, generating strong cash flows
- Average netback over the six-month period to 31 December from the Netherlands of approximately $72.9 per barrel of oil equivalent
- Average gross production for the period across the Group's Netherlands assets was 22.2 MMscfd, approximately 3,810 barrels of oil equivalent per day ("boepd")

Oil price upside from Perth project; excellent progress on large Skerryvore prospect

- Every $10/bbl increase in the long-term oil price assumption adds approximately £130 million to the modelled P50 post-tax NPV of the Perth field development alone
- Parkmead is assessing commercial offers received for the potential tie-back of the Greater Perth Area ("GPA") and is in discussions with operators in the GPA vicinity where new opportunities have arisen
- GPA has the potential to deliver 75-130 million barrels of oil equivalent ("MMBoe") on a P50 basis
- Extension to the Skerryvore licence has been successfully awarded to Parkmead (as operator) and joint venture partners
- Completed reprocessing of Skerryvore 3D seismic, allowing final rock physics and inversion scopes to begin
- Multiple exploration and development activities centred around Skerryvore prospect in 2021/22

- Skerryvore’s main prospects are three stacked targets, at Mey and Chalk level, which together could contain 157 MMBoe

Operational wind farm acquired, delivering immediate electricity revenue

- Acquisition of 1.5MW onshore wind farm in Scotland through purchase of Kempstone Hill Wind Energy Limited (“KHWEL”) for £3.29 million in cash (post period end)
- The Kempstone Hill wind farm provides power for up to 1,000 homes and has an attractive inflation-linked, Feed-in Tariff through until 2036
- Electricity is sold through a power purchase agreement which provides valuable upside through rising wholesale electricity prices
- It is expected that annual PPA redetermination will capture increased electricity prices
- This acquisition significantly increases Parkmead's presence in the renewable energy and electricity markets

Substantial oil and gas reserves

- 2P reserves of 45.6 MMBoe as at 1 March 2022 (45.7 MMBoe as at 1 March 2021)

Well positioned for further acquisitions and opportunities

- Parkmead is actively evaluating further acquisition opportunities in each of its areas of activity, renewables, gas and oil

Parkmead’s Executive Chairman, Tom Cross, commented:

"I am delighted to report excellent growth in the six-month period to 31 December 2021. We have delivered a tripling of our revenue, led by our high-quality Dutch assets and the significant rise in gas prices.

The innovative royalty deal we completed last summer is proving to be highly advantageous and is adding considerable value to Parkmead. Parkmead is 100% unhedged and is directly benefitting from these additional gas sales at higher prices.

We now plan to increase our activity in the Netherlands with a firm drilling campaign planned for 2022/23.

Parkmead’s acquisition of the Kempstone Hill wind farm provides another revenue-generating asset to the Group, which has a long-life and a very steady stream of cash flow. This operational wind farm is complementary to our earlier stage, high-upside renewable energy projects.

Our team continues to carefully evaluate further potential gas, oil and renewable energy acquisitions that would enhance our existing business.

Parkmead is well positioned for the future. We have excellent UK and Netherlands regional expertise, strong financial discipline, and a growing portfolio of high-quality assets. The Group will continue to build upon the inherent value in its existing interests with a balanced, acquisition-led, growth strategy to secure opportunities that maximise future value for our shareholders”

Enquiries:

The Parkmead Group plc Tom Cross (Executive Chairman) Ryan Stroulger (Chief Financial Officer)	+44 (0) 1224 622200
finnCap Ltd (NOMAD and Broker to Parkmead) Marc Milmo / Seamus Fricker – Corporate Finance Andrew Burdis / Barney Hayward – ECM	+44 (0) 20 7220 0500

Financial Performance

During the six-month period to 31 December 2021, the Group tripled its revenue to £4.6 million (2020: £1.5 million). This large increase was driven by the significant uplift in gas prices, with prices rising from around €25/MWh in June 2021 to approximately €95/MWh in December 2021. In addition, the Company benefitted from a greater proportion of production from certain of its licences in the Netherlands following the completion of the gas royalty acquisition in July 2021. Gross profit increased by 389% to £3.8 million (2020: £0.8 million), demonstrating the high-quality nature of Parkmead's onshore Netherlands, assets and strong operating leverage. An outstanding gross profit margin of 82% was achieved as a result (2020: 50%).

Due to ongoing geopolitical events, the current TTF gas price has reached €160/MWh. Parkmead remains 100% unhedged, thus giving exposure to these higher Dutch gas prices for the remainder of the year.

Parkmead delivered an operating profit of £1.9 million for the half year (2020: £1.1 million loss), or 1.7p on a per share basis. The Group moved into profit before tax of £1.3 million (2020: £1.4 million loss). Taxation for the period was £1.7 million (2020: £0.2 million), mainly due to the very low Netherlands cost base and payment timing. Net cash generated from operating activities was £1.7 million (2020: £0.3 million used in operating activities). Administrative expenses amounted to £1.5 million (2020: £1.1 million).

Parkmead's total assets as at 31 December 2021 stood at £80.5 million (2020: £86.8 million). Parkmead is very carefully managed and maintains a strong financial discipline. Cash and cash equivalents at 31 December 2021 were £24.1 million (30 June 2021: £23.4 million), equivalent to 22.1 pence per share. Interest bearing loans receivable were £2.9 million (2020: £2.9 million). Debt was reduced significantly during the period to £0.5 million (2020: £3.1 million).

Review of Activities

Parkmead has delivered substantial growth in its high-quality asset portfolio across the UK and the Netherlands.

High-quality Netherlands asset base

In July 2021, Parkmead completed the acquisition of a gas royalty associated with the Group's existing interests in the Drenthe IV, Drenthe V and Andel Va licenses in the Netherlands from Vermilion Energy. These licences contain the Grolloo, Geesbrug and Brakel onshore gas fields, respectively.

The acquisition doubled the Group's effective financial interest from 7.5% to 15% (in line with Parkmead's working interest in the licences). This royalty was previously held by NAM (a Shell and ExxonMobil joint venture) and came with the licences when they were acquired by Parkmead. The consideration for the royalty was €565k.

The acquisition is already proving to be of significant benefit to Parkmead as it was completed ahead of the recent increase in energy prices. It is expected that the royalty deal will also significantly extend the producing life of these fields, through greater partner alignment.

Parkmead and its joint venture partners have now agreed a firm budget which includes a new two-well drilling campaign, expected to take place in late 2022/early 2023, targeting the LDS-A-SW, LDS-A-CE and LDS-B prospects (previously named Leemdijk and De Bree). Drilling will target up to 37.3 Bcf of gross gas resources, on a Pmean basis, in the prolific Rotliegendes reservoirs found on the licence (CoS of between 40 and 49%). If successful, the prospects offer a fast-track tie-in opportunity.

Our Netherlands production was some of the most efficient and profitable in Europe during 2021, on a per-barrel basis. Production across the fields remained uninterrupted throughout national and local COVID-19 lockdowns. Average gross production for the period across the Group's Netherlands assets was 22.2 MMscfd, approximately 3,810 barrels of oil equivalent per day ("boepd").

The operating cost of the combined fields is very low at just $8.6 per barrel of oil equivalent. These high-quality assets, combined with the operating leverage from a fixed cost base, underpins the outstanding gross profit margin during the period and allows us to invest in further opportunities. Parkmead's onshore gas production continues to form a key part of the Group and an important role in our transition to a lower-carbon environment. On our Drenthe VI licence, the Diever gas field remains in the top three most prolific producing onshore fields in the Netherlands. Given the production from Parkmead's Netherlands assets, especially in the context of current gas prices, a key near term focus for the Company will be to maximise the opportunities within these licences. The planned two-well drilling campaign is part of this strategy.

Finally, we are pleased to report that our Papekop development has successfully progressed through the concept select gate and we will now carry out further engineering studies and continue the permitting process. Transportation discussions are also maturing. A potential gas development is planned at Papekop targeting 35.6 Bcf of gross reserves, with oil upside.

UK Oil and Gas Projects

Greater Perth Area ("GPA")

The Greater Perth Area (GPA) development continues to form a part of our balanced portfolio of assets. Transportation studies for our base case development concept were previously completed. These have confirmed there are no technical hurdles associated with the transportation and processing of fluids from the Perth producing wells all the way through the offshore infrastructure to the onshore facilities. Parkmead continues to engage with leading, supply chain companies in order to optimise the commercial solution.

Parkmead is assessing draft commercial offers received from the Scott field partnership for the potential tie-back of the GPA project. Scott lies just 10km southeast of the GPA project and a tie-back could yield a number of mutually beneficial advantages for both the Scott partnership and Parkmead. A tie-back to Scott is just one path to potentially unlock the substantial value of the GPA project.

The GPA project has the potential to deliver 75-130 MMBoe on a P50 basis. For the Perth field development alone, every $10/bbl increase in the long-term oil price assumption adds approximately £130 million of value to the modelled P50 post-tax NPV of the project. We believe that projects like GPA play an important role in underpinning the supply of energy that the UK requires in its transition to net zero. As a fuel that is primarily used for transportation, manufacturing and petrochemicals, oil will continue to feature as a vital commodity in the UK over the coming years. Therefore, it is very important that the UK continues to develop such projects in order to reduce reliance on less-regulated, more carbon-intensive imports. Parkmead believes that production of hydrocarbons from GPA can be done in a sustainable fashion in alignment with the UK government's most recent targets on carbon emissions.

Skerryvore

An extension to the Skerryvore licence, P.2400, was successfully awarded to Parkmead and its joint venture partners during the period. The joint venture has made excellent progress over the last 12 months, having completed reprocessing of the 3D seismic, rock physics, inversion, biostratigraphy and geochemistry scopes. Volumetrics and economics are currently being finalised ahead of a drilling decision.

The acreage around Skerryvore is currently seeing important activity on several fronts, with Harbour Energy close to a Final Investment Decision on the adjacent Talbot discovery, NEO continuing with the redevelopment of Affleck and Shell recently spudding the nearby Edinburgh well (March 2022). Development activity is also taking place in the Norwegian sector and in close proximity to Skerryvore at Tommeliten A (ConocoPhillips). Skerryvore's main prospects are three stacked targets, at Mey and Chalk level, which together could contain 157 million barrels of oil equivalent ("MMBoe"). Parkmead operates the Skerryvore licence with a 30% working interest. Our joint venture partners in the licence are Serica Energy (20%), CalEnergy Resources (20%) and NEO Energy (30%).

UK Renewables Portfolio

On 31 January 2022, Parkmead completed a major expansion of its UK renewable energy portfolio through the acquisition of Kempstone Hill Wind Energy Limited ("KHWEL"). This provides Parkmead with its first operational renewable energy asset, a 1.5MW wind farm in Scotland, which provides power for up to 1,000 homes.

The total consideration comprised £3.29 million in cash. In addition, Parkmead assumed a project loan of approximately £990k and £300k of cash within KHWEL on acquisition (which becomes a subsidiary of the Group).

The wind farm has an attractive inflation-linked, Feed-in Tariff through until 2036. Electricity is sold through a power purchase agreement which provides exposure to rising wholesale electricity prices. We anticipate that a new PPA, taking effect in Q3 2022, means that Parkmead should benefit from the considerable increase in electricity prices.

The acquisition of this wind farm sits well within the Board's strategy and increases the Group's presence in this rapidly growing sector. Furthermore, the Board believes that, as a successful wind farm already connected to the grid, the Group will benefit from Kempstone Hill's established relationships and expertise as it looks to advance the Group's other renewable energy opportunities.

Within its existing renewable energy portfolio, Parkmead has identified substantial wind energy potential at one location, some 15 miles west of Aberdeen. The acreage has excellent average wind speeds and lies adjacent to the Mid Hill Wind Farm which contains 33 Siemens wind turbines with a generating capacity of around 75 megawatts (MW). Technical studies are underway on this site.

Outlook

Parkmead has delivered significant growth across its portfolio in the six-month period to 31 December 2021 and in the three months post period end. This had been achieved whilst maintaining the Group's healthy financial position. The Directors believe that there are excellent opportunities to increase production from its Netherlands assets and we are focused on working with our partners in the Netherlands to drive forward a two-well drilling campaign. The current gas price environment provides excellent opportunities to capitalise on the low cost of production from these interests.

We are pleased with the Group's continuing progress in building a high-quality business of increasing breadth and scale. Parkmead has a strong core of profitable gas production and a balanced portfolio with significant growth potential.

As we move further into 2022, Parkmead maintains its appetite for acquisitions and is carefully analysing a number of opportunities. The Board is confident that the Parkmead team is well positioned to drive the business forward and to build upon the achievements already made to date.

Tom Cross
Executive Chairman

25 March 2022

Notes:

1. Tim Coxe, Parkmead Group's Managing Director, North Sea, who holds a First-Class Master's Degree in Engineering and over 30 years of experience in the oil and gas industry, has overseen the review and approval of the technical information contained in this announcement. Tim is accountable for the company's HSE, Subsurface, Drilling, Production Operations and Development Project functions. Reserves and contingent resource estimates have been produced by Parkmead's subsurface team and are stated as of 1 March 2022. Parkmead's evaluation of reserves and resources was prepared in accordance with the 2007 Petroleum Resources Management System prepared by the Oil and Gas Reserves Committee of the Society of Petroleum Engineers and reviewed and jointly sponsored by the World Petroleum Council, the American Association of Petroleum Geologists and the Society of Petroleum Evaluation Engineers.

A glossary of key terms can be found at https://www.nstauthority.co.uk/site-tools/glossary-of-terms/

Condensed Consolidated statement of profit and loss and other comprehensive income

for the six months ended 31 December 2021

Continuous operations	Notes	Six months to 31 December 2021 £'000	Six months to 31 December 2020 £'000	Twelve months to 30 June 2021 £'000
Revenue		4,633	1,548	3,608
Cost of sales		(837)	(772)	(1,835)
Gross profit		3,796	776	1,773
Exploration and evaluation expenses	2	(465)	(605)	(11,116)
Loss on sale of assets		-	(35)	(388)
Administrative (expenses)/credit	3	(1,457)	(1,192)	(3,040)
Operating profit / (loss)		1,874	(1,056)	(12,771)
Finance income		37	62	148
Finance costs		(625)	(393)	(819)
Profit / (loss) before taxation		1,286	(1,387)	(13,442)
Taxation		(1,697)	(165)	(364)
Loss for the period		(411)	(1,552)	(13,806)
Loss per share (pence)				
Basic	5	(0.38)	(1.42)	(12.64)
Diluted		(0.38)	(1.42)	(12.64)

Condensed Consolidated statement of financial position

as at 31 December 2021

	Notes	At 31 December 2021	At 31 December 2020	At 30 June 2021
		(unaudited)	(unaudited)	(audited)
		£'000	**£'000**	**£'000**
Non-current assets				
Property, plant and equipment: development & production		14,613	11,926	14,646
Property, plant and equipment: other		4,391	8,491	4,654
Goodwill		2,174	2,174	2,174
Exploration and evaluation assets		30,685	36,019	29,497
Interest bearing loans	4	2,900	-	2,900
Deferred tax assets		-	3	-
Total non-current assets		54,763	58,613	53,871
Current assets				
Trade and other receivables		1,597	597	1,352
Interest bearing loans	4	-	2,937	-
Inventory		46	114	66
Cash and cash equivalents		24,128	24,533	23,378
Total current assets		25,771	28,181	24,796
Total assets		80,534	86,794	78,667
Current liabilities				
Trade and other payables		(2,975)	(4,162)	(3,490)
Decommissioning provisions		(13,498)	-	-
Current tax liabilities		(1,219)	-	(241)
Total current liabilities		(17,692)	(4,162)	(3,731)
Non-current liabilities				
Other liabilities		(903)	(1,247)	(1,011)
Loan		(500)	(3,110)	(500)
Deferred tax liabilities		(1,339)	(1,404)	(1,339)
Decommissioning provisions		(2,739)	(7,945)	(14,365)
Total non-current liabilities		(5,481)	(13,706)	(17,215)
Total liabilities		(23,173)	(17,868)	(20,946)
Net assets		57,361	68,926	57,721
Equity attributable to equity holders				
Called up share capital		19,688	19,687	19,688
Share premium		88,017	87,983	88,017
Merger reserve		3,376	3,376	3,376
Retained deficit		(53,720)	(42,120)	(53,360)
Total equity		57,361	68,926	57,721

Condensed Consolidated statement of changes in equity

for the six months ended 31 December 2021

	Share capital £'000	Share premium £'000	Merger reserve £'000	Retained deficit £'000	Total £'000
At 1 July 2020	**19,678**	**87,805**	**3,376**	**(39,513)**	**71,346**
Loss for the period	-	-	-	(1,552)	(1,552)
Total comprehensive income / (loss) for the year	-	-	-	(1,552)	(1,552)
Share capital issued	9	178	-	-	187
Share-based payments	-	-	-	(1,055)	(1,055)
At 31 December 2020	**19,687**	**87,983**	**3,376**	**(42,120)**	**68,926**
Loss for the period	-	-	-	(12,254)	(12,254)
Total comprehensive income / (loss) for the year	-	-	-	(12,254)	(12,254)
Share capital issued	1	34	-	-	35
Share-based payments	-	-	-	1,014	1,014
At 30 June 2021	**19,688**	**88,017**	**3,376**	**(53,360)**	**57,721**
Loss for the period	-	-	-	(411)	(411)
Total comprehensive income / (loss) for the year	-	-	-	(411)	(411)
Share-based payments	-	-	-	51	51
At 31 December 2021	**19,688**	**88,017**	**3,376**	**(53,720)**	**57,361**

Condensed Consolidated statement of cashflows
for the six months ended 31 December 2021

	Notes	Six months to 31 December 2021 £'000	Six months to 31 December 2020 £'000	Twelve months to 30 June 2021 £'000
Cashflows from operating activities				
Cashflows from operations		2,474	(1)	(1,191)
Taxation paid		(770)	(293)	(124)
Net cash generated from / (used in) operating activities		1,704	(294)	(1,315)
Cash flow from investing activities				
Interest received		37	43	148
Acquisition of exploration and evaluation assets		(360)	(346)	(369)
Proceeds from sale of property, plant and equipment		-	700	4,000
Acquisition of property, plant and equipment: development and production		(46)	(16)	(165)
Acquisition of property, plant and equipment: other		(1)	(75)	(114)
Decommissioning expenditure		(233)	-	(31)
Net cash (used in) / generated from investing activities		(603)	306	3,468
Cash flow from financing activities				
Lease payments		(162)	(222)	(421)
Interest paid		(24)	(56)	(110)
Repayment of loans and borrowings		-	(490)	(3,100)
Net cash used in financing activities		(186)	(768)	(3,631)
Net increase / (decrease) in cash and cash equivalents		915	(756)	(1,477)
Cash and cash equivalents at beginning of period		23,378	25,708	25,708
Effect of foreign exchange rate differences		(165)	(419)	(853)
Cash and cash equivalents at end of period		24,128	24,533	23,378

Notes to the Interim financial statements

1 Accounting policies

General Information

These condensed consolidated interim financial statements of The Parkmead Group plc and its subsidiaries (the "Group") were approved by the Board of Directors on 25 March 2022. The Parkmead Group plc is the parent company of the Group. Its shares are quoted on AIM, part of the London Stock Exchange. The registered office is located at 20 Farringdon Street, 8th Floor, London, England, EC4A 4AB.

The condensed consolidated interim financial statements for the period 1 July 2021 to 31 December 2021 are unaudited. In the opinion of the Directors, the condensed consolidated interim financial statements for the period presents fairly the financial position, and results from operations and cash flows for the period in conformity with the generally accepted accounting principles consistently applied. The condensed consolidated interim financial statements incorporate unaudited comparative figures for the interim period 1 July 2020 to 31 December 2020 and the audited financial year ended 30 June 2021.

The financial information set out in this interim report does not constitute statutory accounts as defined in Section 434 of the Companies Act 2006. The Group's statutory accounts for the year ended 30 June 2021 which were prepared under International Financial Reporting Standards ("IFRS") as adopted for use in the UK were filed with the Registrar of Companies. The auditors reported on those accounts and their report was unqualified and did not contain a statement under either Section 498 (2) or Section 498 (3) of the Companies Act 2006 and did not include references to any matters to which the auditor drew attention by way of emphasis.

Basis of preparation

The interim financial information in this report has been prepared under the historical cost convention using accounting policies consistent with International Financial Reporting Standards (IFRS) as adopted by the UK and IFRS Interpretations Committee (IFRIC) interpretations. IFRS is subject to amendment and interpretation by the International Accounting Standards Board (IASB) and IFRIC and there is an ongoing process of review and endorsement by the UK. The financial information has been prepared on the basis of UK-adopted international accounting standards that the Directors expect to be adopted and applicable as at 30 June 2021.

The Group has chosen not to adopt IAS 34 – Interim Financial Statements, in preparing these financial statements.

The accounting policies applied in this report are the same as those applied in the consolidated financial statements for the year ended 30 June 2021.

Going concern

The Directors have made an assessment of the Group's ability to continue as a going concern. As at 31 December 2021 the Group had £57.4 million of net assets of which £24.1 million is held in cash, of which £5.9 million is held as restricted cash.

The Group's production in the Netherlands has been uninterrupted by COVID-19 and the Group and Company employees have utilised technology to work remotely where required. The Group's current cash reserves are the principal source of funding and are expected to more than exceed its estimated liabilities. Based on these circumstances, the Directors have considered it appropriate to adopt the going concern basis of accounting in preparing these interim results.

2 Exploration and evaluation expenses

Exploration and evaluation expenses includes impairment charges of £318,000 recorded in respect of exploration licences relinquished in the period (Six months to 31 December 2020: £416,000, Twelve months to 30 June 2021: £10,855,000).

3 Administrative expenses

Administrative expenses include an expense in respect of a non-cash revaluation of share appreciation rights (SARs) totalling £238,000 (Six months to 31 December 2020: £556,000 charge, Twelve months to 30 June 2021: £52,000 charge). The SARs may be settled by cash or shares and are therefore revalued with the movement in share price.

Administrative expenses also includes a non-cash share based payment charge of £51,000 due to options which have been granted, lapsed or forfeited (Six months to 31 December 2020: £1,055,000 credit, Twelve months to 30 June 2021: £41,000 credit).

Administrative expenses also include a foreign exchange expense of £165,000 (Six months to 31 December 2020: £419,000 expense, Twelve months to 30 June 2021: £853,000 expense).

Notes to the Interim financial statements

4 Interest bearing loans

On 27 July 2017, The Parkmead Group plc entered into a credit facility with Energy Management Associates Limited, whereby Parkmead agreed to lend up to £2,900,000 to Energy Management Associates Limited.

The loan has a period of two years, with a fixed interest rate of 2.5 per cent. Interest charged by Parkmead during the period amounted to £37,000 (Six months to 31 December 2020: £37,000, Twelve months to 30 June 2021: £73,000).

On 26 July 2021, The Parkmead Group plc entered into a 24-month extension of the loan.

5 Loss per share

Loss per share attributable to equity holders of the Company arise as follows:

	Six months to 31 December 2021 (unaudited)	Six months to 31 December 2020 (unaudited)	Twelve months to 30 June 2021
Loss per 1.5p ordinary share (pence)			
Basic	(0.38)	(1.42)	(12.64)
Diluted	(0.38)	(1.42)	(12.64)

The calculations were based on the following information:

	Six months to 31 December 2021 (unaudited) £'000	Six months to 31 December 2020 (unaudited) £'000	Twelve months to 30 June 2021 (audited) £'000
Loss attributable to ordinary shareholders	(411)	(1,552)	(13,806)
Weighted average number of shares in issue			
Basic weighted average number of shares	109,266,931	109,181,797	109,188,561
Dilutive potential ordinary shares			
Share options	10,778,154	9,314,068	10,778,154

Basic loss per share is calculated by dividing the loss for the period by the weighted average number of ordinary shares outstanding during the period.

Diluted earnings per share is calculated by dividing the loss for the period by the weighted average number of ordinary shares outstanding during the period plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

Diluted loss per share
Loss per share requires presentation of diluted loss per share when a company could be called upon to issue shares that would decrease net profit or net loss per share. When the Group makes a loss the outstanding share options are anti-dilutive and so are not included in dilutive potential ordinary shares.

Notes to the Interim financial statements

6 Notes to the statement of cashflows

Reconciliation of operating (loss) / profit to net cash flow from operations

	Six months to 31 December 2021 £'000	Six months to 31 December 2020 £'000	Twelve months to 30 June 2021 £'000
Operating profit / (loss)	1,874	(1,056)	(12,771)
Depreciation	341	328	611
Amortisation and exploration write-off	318	416	10,855
Loss on sale of property, plant and equipment	-	35	388
Provision for share based payments	51	(1,055)	(41)
Currency translation adjustments	165	419	853
Decreases / (increase) in receivables	(359)	779	62
Decrease in stock	20	17	65
Increase/(decrease) in payables	64	116	(1,212)
Net cash flow from / (used in) operations	2,474	(1)	(1,191)

7 Post balance sheet events

On 31 January 2022, the Group acquired the entire issued share capital of Kempstone Hill Wind Energy Limited ("Kempstone Hill"), a company owning a 1.5MW onshore wind farm in Scotland (the "Acquisition") for £3.29 million. The initial accounting for the business is incomplete at the time of the approval of the interim results; therefore, no business combination disclosure has been made.

The information contained within this announcement is deemed to constitute inside information as stipulated under the Market Abuse Regulations (EU No. 596/2014) which is part of UK law by virtue of the European Union (Withdrawal) Act 2018. Upon the publication of this announcement, this inside information is now considered to be in the public domain.