26 November 2021

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

## Preliminary Results for the year ended 30 June 2021

Parkmead, the UK and Netherlands focused independent energy group, is pleased to report its preliminary results for the year ended 30 June 2021.

**HIGHLIGHTS**

**Revenue momentum from increased gas prices; strong financial position**

- Revenue for the period was £3.6 million (2020: £4.1 million), with a 33% increase in the second half compared to the first half reflecting the strong recovery in gas prices from the COVID-19 pandemic lows
- Gross profit increased by 39% to £1.8 million (2020: £1.3 million), showing the robustness of Parkmead's gas assets and continued improving efficiency
- Gross margin increased from 31% to 49%
- Well capitalised, with cash balances of £23.4 million (US$31.6 million) as at 30 June 2021
- Parkmead has seen the benefit of the strong climb in energy prices and are 100% unhedged. From lows of around €5.0/MWh in July 2020 prices have rebounded strongly, with Dutch TTF prices reaching around €75.0/MWh in November 2021
- Excellent revenue generation since period end, €3.0 million of revenue generated in the first four months of FY 2022, 355% higher than the equivalent four months last year
- Parkmead's Netherlands assets remain very low cost to operate, and were uninterrupted by lockdown restrictions introduced by the Dutch Government
- Non-cash impairment charge recorded of £10.9 million relating primarily to relinquishment of the Platypus licence at the pre-development stage
- Parkmead maintains strict financial discipline with very low operating costs

**Acquisition of Netherlands gas royalty and potential drilling campaign in 2022**

- Acquisition of Netherlands gas royalty completed in July 2021 for a consideration of €565k, satisfied through a part cash payment and part of the remaining 2021 net revenue from the Geesbrug gas field
- The revenue associated with this royalty for just the year to 30 June 2020 was €325k, delivering a relatively short payback
- Through this acquisition, Parkmead's effective financial interest doubled from 7.5% to 15% in the Grolloo, Geesbrug and Brakel gas fields
- Gross production at the Group's Netherlands assets for the financial year averaged 30.3 million cubic feet per day ("MMscfd"), which equates to approximately 5,212 barrels of oil equivalent per day ("boepd")
- Low-cost onshore gas portfolio in the Netherlands produces from four separate gas fields with an average field operating cost of just US$9.9 per barrel of oil equivalent, generating strong cash flows
- Average netback per barrel of oil equivalent for the last two months from the Netherlands (September and October 2021) of €48.3
- Partnership analysing a potential two-well drilling campaign next year from the Diever site, targeting LDS-A and LDS-B
- Drilling would target 22.7 Bcf of gross gas resources, on a P50 basis, in the prolific Rotliegendes reservoirs found on the licence (CoS of between 40 and 49%)
- Papekop gas development has successfully progressed through the concept select gate; planned gas development targeting 35.6 Bcf of gross reserves with oil upside

**Renewables Growth Strategy**

- Two successful sales of separate areas of non-core land from UK renewable energy portfolio achieved an aggregate cash consideration of £4.0 million, representing a substantial 82% of the original Pitreadie net consideration
- Sites with the largest renewable energy potential have been retained and high-graded

- Technical studies are already underway on a specific location within the Group's onshore land portfolio for the potential development of a large wind farm
- This area of land lies adjacent to the Mid Hill Wind Farm which encompasses 33 Siemens wind turbines with a generating capacity of around 75 megawatts
- Other renewable opportunities exist across the Group's asset portfolio
- Considering further acquisition opportunities to expand the Group's renewables portfolio

**UK North Sea licence refocus**

- New project secured through successful award of Fynn licence in the Central North Sea (Parkmead 50% and operator), containing two undeveloped discoveries and a prospect in the Piper Formation
- Fynn Beauly is a very large oil discovery extending across multiple blocks and is estimated to contain oil-in-place of between 602 and 1,343 million barrels, with our licence containing a section of the discovery to the south holding oil-in-place of between 77 and 202 million barrels
- Fynn Andrew is wholly contained on the licence and holds 50 million barrels of oil-in-place on a P50 basis
- Addition of these blocks adds 34.4 million barrels of 2C resources to Parkmead
- 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 million barrels of oil equivalent ("MMBoe")
- Relinquishment of Playtpus licence by Parkmead and the remaining joint venture partner following the very late withdrawal of the majority partner and operator
- Parkmead continues to assess draft commercial offers received for the potential tie-back of the Greater Perth Area ("GPA") project, which has the potential to deliver 75-130 MMBoe on a P50 basis
- For the Perth field development alone, every $10/bbl increase in the oil price adds approximately £130 million to the P50 post-tax NPV of the project

**Substantial gas and oil reserves and resources**

- 2P reserves of 45.5 million barrels of oil equivalent ("MMBoe") as at 30 September 2021 (45.7 MMBoe as at 30 September 2020)

**Evaluating further acquisitions and opportunities**

- Nine acquisitions, at both asset and corporate level, have been completed to date
- Parkmead actively evaluating further acquisition opportunities in renewables, gas and oil in line with its strategy to build a balanced portfolio of assets

**Parkmead's Executive Chairman, Tom Cross, commented:**

***"I am pleased to report an important year of progress for Parkmead, despite the year being significantly disrupted by the COVID-19 pandemic. The substantial rise in gas prices post year end is also creating strong momentum for the Group. We intend to capitalise on this by further balancing the Group's operations to include other energies.***

***The innovative royalty deal we completed in July enhances our gas interests in the Netherlands and adds significant value to Parkmead. This growth step adds to our portfolio of high-quality energy projects delivered through acquisitions, organic growth and active asset management.***

***The successful divestment of non-core land areas is a testament to the team's ability to ensure value is generated from its assets. Parkmead has already identified a number of possible locations for renewable energy opportunities within the Group's high-graded onshore acreage.***

***Our team is carefully evaluating further potential gas, oil and renewable energy acquisitions that would complement 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."***

**For enquiries please contact:**


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|---|---|
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## CHAIRMAN'S STATEMENT

2021 has been an important year for Parkmead as we recover from the COVID-19 pandemic. Parkmead's experienced and resourceful team ensured that the Group was able to quickly transition to remote working to cope with the COVID-19 restrictions, where necessary, and demonstrated commitment and innovation to developing new work programmes to support the future growth of the business. This, combined with a carefully managed business strategy, ensured that the Group was resilient during the historical lows in commodity prices and difficult market conditions during the year. The Group's gas production also remained uninterrupted throughout national and local COVID-19 restrictions providing a strong position that meant we were able to capitalise on these conditions to make a producing gas acquisition.

We also continued to make a number of important steps in progressing our strategy to balance the Group's operations through initiating new work programmes, refining development plans and lowering our operational costs. Parkmead is now a more resilient company with a very positive outlook for the years ahead.

### Financial Performance

The Group's revenue for the year to 30 June 2021 was £3.6m (2020: £4.1m), generating a 39% increase in gross profit to £1.8m (2020: £1.3m). The gross margin improved from 31% to 49% showing the high-quality nature of Parkmead's onshore production in the Netherlands, especially given the economic environment during the period.

The reduced revenue in the year reflected the substantially lower commodity prices during 2020 resulting from the pandemic. Since the lows experienced in the last financial year, we have seen a very encouraging recovery in prices, particularly in Dutch gas. Revenue in the second half of the year increased by 33% compared to the first half as a result of this price recovery. This strength in gas prices has continued since the financial year end, with prices more than tripling during the period from June 2021 to October 2021.

As a result, Parkmead has recorded €3 million of revenue during the first four months of the current financial year alone, 355% higher than the equivalent four months last year. Parkmead continues to remain unhedged for 100% of our gas production, thus giving exposure to these higher Dutch gas prices for the remainder of the year.

Parkmead maintains a strong balance sheet with total assets of £78.7m (2020: £89.8m) as at 30 June 2021. Cash and cash equivalents at year-end were £23.4m (2020: £25.7m) and interest bearing loans receivable were £2.9m (2020: £2.9m). The Group's net asset value was £57.7m (2020: £71.3m). We reduced debt within the Group by 86% to £0.5m on a pre-IFRS 16 basis at 30 June 2021 (2020: £3.6m). This prudent approach is an important part of our financial discipline.

Exploration and evaluation expenses were £11.1m (2020: £1.6m), which includes a non-cash impairment of £10.9 million related to the relinquishment of Licences P.2296, P.2362 and P.1242 (Platypus) in the UK North Sea. Administrative expenses were £3.0m (2020: £0.3m). Underlying staff costs stayed almost flat at £2.0 million (2020: £1.9m).

In June 2021, Parkmead completed an extensive tendering process with the view of appointing a new auditor following the ten year tenure from Nexia Smith & Williamson. We are pleased to announce that Jeffreys Henry assumed the role of auditor in August 2021. Parkmead would like to express our sincere thanks to Nexia Smith & Williamson for their work.

**Netherlands**

Our Netherlands production remained some of the most efficient and profitable, on a per-barrel basis, across Europe in 2021. Production across the fields remained uninterrupted throughout national and local COVID-19 lockdowns.

Gas production across the four fields has remained strong, with average gross production of 30.3MMscfd, approximately 5,212boepd. The operating cost of the combined fields is very low at just $9.9 per barrel of oil equivalent. These high-quality assets, combined with efficient operational cost control underpins the strong gross profit margin 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. Parkmead and our JV partners are also pleased to be making material progress on the Leemdijk and De Bree prospects (renamed LDS-A and LDS-B respectively), also on the Drenthe VI licence. A two-well drilling campaign from the Diever well site, targeting both structures, is scheduled for late 2022/early 2023, and if successful, offers a fast-track tie-in opportunity.

Our Drenthe V licence includes the Geesbrug gas field, which continues to see steady production at material rates. During the reporting period, seismic reprocessing has been ongoing to identify infill opportunities on this licence.

Finally, we are pleased to report that our Papekop development has successfully progressed through the concept select gate and we will now carry out some further engineering studies and continue the permitting process.

**Gas Royalty Acquisition**

In July 2021 Parkmead completed the acquisition of a historic 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.

This royalty was previously held by NAM, a Shell and ExxonMobil joint venture. The consideration for this acquisition was €565k, satisfied through a part cash payment of approximately €150k and the remaining 2021 net revenue from Parkmead's working interest in the Geesbrug gas field. The acquisition removed the royalty associated with the existing producing gas wells. The revenue associated with this royalty for the year to 30 June 2020 was €325k, meaning a relatively short payback.

Through this important acquisition, Parkmead has increased its net gas production from these wells, doubling the Group's effective financial interest from 7.5% to 15% (in line with Parkmead's working interest in the licences). This step added significant core value to Parkmead and will extend the producing life of these fields through greater partner alignment.

**UK Licence Refocus**

The Company has now finalised the award of Licence P.2516 (Parkmead 50% and operator) containing two undeveloped oil discoveries, Fynn Beauly and Fynn Andrew, as well as an oil prospect in the Piper Formation. The licence covers Blocks 14/20g & 15/16g situated in the Central North Sea and is adjacent to Parkmead's GPA project.

Fynn Beauly is a very large oil discovery which extends across a number of blocks. The entire discovery is estimated to contain oil-in-place of between 602 and 1,343 million barrels, with Licence P.2516 containing a section of the discovery to the south holding oil-in-place of between 77 and 202 million barrels.

Fynn Andrew is wholly contained on the licence and holds 50 million barrels of oil-in-place on a P50 basis. The addition of these blocks to Parkmead's portfolio adds 34.4 million barrels of 2C resources to the Group. Parkmead’s partner on the licence is Orcadian Energy.

An extension to the Skerryvore licence, P.2400, has been successfully awarded to Parkmead and its joint venture partners. The joint venture has made significant progress over the last year having completed reprocessing of the 3D seismic, allowing final rock physics and inversion scopes to begin. Follow-on technical studies are planned before the end of the year, ahead of a drilling decision 2022.

The acreage around Skerryvore is currently seeing activity on several fronts, with Harbour Energy drilling the adjacent Talbot opportunity and Shell looking to drill the Edinburgh prospect. Development activity is also taking place in close proximity to Skerryvore at Tommeliten A (ConocoPhillips) and Affleck (NEO Energy).

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. Joint venture partners in the licence are Serica Energy (20%), CalEnergy Resources (20%) and Zennor Petroleum (30%).

Following the unexpected, late withdrawal of Dana Petroleum from the Platypus licence, Parkmead agreed in principle to become the temporary acting operator and entered into commercial discussions with the Platypus supply chain to formulate a revised commercial project that could be put to the regulatory authorities to seek extension of the licence. A considered and improved commercial plan was put to the regulator well ahead of the formal end of the licence, however, despite intensive and prolonged discussions it was not possible to arrive at suitable terms for an extension and, although a new licence could be sought in due course, it was ultimately decided by the partners not to pursue the matter further at this time. So Parkmead has prudently recognised a full impairment charge. The Board of Parkmead is now able to re-focus the Group's time and resources, that it would otherwise have spent on Platypus on projects, where we can see a clear pathway to delivering enhanced shareholder value.

Elsewhere in the UK, we have secured an extension to the Initial Term A of West of Shetland licence P.2406, which contains the large Davaar Paleocene prospect. We have begun interpretation of the newly reprocessed seismic data ahead of further work next year.

The Greater Perth Area (GPA) development continues to form a part of our balanced portfolio of assets. This year has seen the completion of transportation studies for our base case development concept. The studies 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 infrastructure to the onshore facilities. Parkmead continues to engage with leading, internationally-renowned supply chain companies in order to optimise the commercial solution.

Parkmead continues to assess 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 oil price adds approximately £130 million to the 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 and it is very important that the UK continues to develop its 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.

**Onshore Renewables**

In March 2021, Parkmead completed the successful sales of two separate areas of non-core land from its UK renewable energy portfolio for an aggregate consideration of £4.0 million. This divestment follows detailed analysis carried out across the Group's onshore land acreage. Sites with the largest renewable energy potential have been retained and high-graded, with a strategy to divest non-core land. These sales are in line with that strategy.

A number of renewable energy opportunities exist within our onshore portfolio and we continue to advance these through Parkmead's in-house technical and commercial expertise, alongside regional experts. Significant wind energy potential lies at a location within our portfolio 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 already underway at this site.

**Outlook**

Our focus at Parkmead is to continue building a robust and balanced European energy business with both organic and inorganic growth opportunities. We have an excellent and determined team of energy experts who view the rapidly-changing energy landscape as an opportunity, not as a threat. Our team is looking at several new opportunities in gas and renewable energy.

We maintain a very healthy appetite for transactions which could provide incremental revenue, cash flow and long-term value for shareholders.

Our proactive approach to investment in cleaner energies stands us in excellent shape to continue building a balanced portfolio of assets within the Company.

We continue to remain unhedged for 100% of our gas production, thus giving exposure to the higher Dutch gas prices for the remainder of the year.

We have started the 2022 financial year on a sound footing with record high gas prices and work ongoing across a number of projects which should pave the way for a successful year ahead.

**Tom Cross**

**Executive Chairman**

**25 November 2021**

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.

Notes:

1. Tim Coxe, Parkmead Group's Managing Director, North Sea, holds a First-Class Master's Degree in Engineering and over 30 years of experience in the oil and gas industry. Tim is accountable for the company's HSE, Subsurface, Drilling, Production Operations and Development Project functions and has approved the technical information contained in this announcement. Reserves and contingent resource estimates have been produced by Parkmead's subsurface team and are stated as of 30 September 2021. 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.

## Group statement of profit or loss
## for the year ended 30 June 2021

| Continuing operations | Notes | Jun-21 £'000 | Jun-20 £'000 |
|---|---|---|---|
| Revenue | | **3,608** | 4,080 |
| Cost of sales | | **(1,835)** | (2,806) |
| **Gross profit** | | **1,773** | 1,274 |
| Exploration and evaluation expenses | 4 | **(11,116)** | (1,556) |
| Gain on bargain purchase | | **-** | 362 |
| Loss on sale of assets | | **(388)** | - |
| Administrative expenses | 2 | **(3,040)** | (257) |
| **Operating loss** | | **(12,771)** | (177) |
| Finance income | | **148** | 199 |
| Finance costs | | **(819)** | (814) |
| **Loss before taxation** | | **(13,442)** | (792) |
| Taxation | | **(364)** | 310 |
| **Loss for the period attributable to the equity holders of the Parent** | | **(13,806)** | (482) |
| | | | |
| **(Loss) / earnings per share (pence)** | | | |
| Basic | 3 | **(12.64)** | (0.45) |
| Diluted | 3 | **(12.64)** | (0.45) |
| | | | |
| **Adjusted EBITDA** | | **(958)** | 1,574 |
| Depreciation | | **(611)** | (764) |
| Amortisation and exploration write-off | | **(10,855)** | (1,298) |
| Loss on sale of property, plant and equipment | | **(388)** | - |
| Gain on bargain purchase | | **-** | 362 |
| Provision for share based payments | | **41** | (51) |
| **Operating Loss** | | **(12,771)** | (177) |

## Group statement of profit or loss and other comprehensive income
## for the year ended 30 June 2021

| | 2021 £'000 | 2020 £'000 |
|---|---|---|
| **(Loss) / profit for the year** | **(13,806)** | (482) |
| **Other comprehensive income** | | |
| Income tax relating to components of other comprehensive income | **-** | - |
| **Other comprehensive income for the year, net of tax** | **-** | - |
| **Total comprehensive (loss) / income for the year attributable to the equity holders of the Parent** | **(13,806)** | (482) |

**Group statement of financial position**
**as at 30 June 2021**

| | 2021 | 2020 |
|---|---|---|
| | £'000 | £'000 |
| **Non-current assets** | | |
| Property, plant and equipment: development & production | **14,646** | 11,979 |
| Property, plant and equipment: other | **4,654** | 9,411 |
| Goodwill | **2,174** | 2,174 |
| Exploration and evaluation assets | **29,497** | 36,089 |
| Investment in subsidiaries and joint ventures | **-** | - |
| Interest bearing loans | **2,900** | 2,900 |
| Deferred tax assets | **-** | 3 |
| **Total non-current assets** | **53,871** | 62,556 |
| **Current assets** | | |
| Trade and other receivables | **1,352** | 1,414 |
| Inventory | **66** | 131 |
| Cash and cash equivalents | **23,378** | 25,708 |
| **Total current assets** | **24,796** | 27,253 |
| **Total assets** | **78,667** | 89,809 |
| **Current liabilities** | | |
| Trade and other payables | **(3,490)** | (4,437) |
| Current tax liabilities | **(241)** | - |
| **Total current liabilities** | **(3,731)** | (4,437) |
| **Non-current liabilities** | | |
| Trade and other payables | **(1,011)** | (1,372) |
| Loans | **(500)** | (3,600) |
| Deferred tax liabilities | **(1,339)** | (1,404) |
| Decommissioning provisions | **(14,365)** | (7,650) |
| **Total non-current liabilities** | **(17,215)** | (14,026) |
| **Total liabilities** | **(20,946)** | (18,463) |
| **Net assets** | **57,721** | 71,346 |
| **Equity attributable to equity holders** | | |
| Called up share capital | **19,688** | 19,678 |
| Share premium | **88,017** | 87,805 |
| Merger reserve | **3,376** | 3,376 |
| Retained deficit | **(53,360)** | (39,513) |
| **Total Equity** | **57,721** | 71,346 |

**Group statement of changes in equity**
**for the year ended 30 June 2021**

| | Share capital | Share premium | Merger reserve | Retained deficit | Total |
|---|---|---|---|---|---|
| | £'000 | £'000 | £'000 | £'000 | £'000 |
| **At 30 June 2019** | **19,533** | **87,805** | **-** | **(39,082)** | **68,256** |
| Loss for the year | - | - | - | (482) | (482) |
| Total comprehensive loss for the year | - | - | - | (482) | (482) |
| Share capital issued | 145 | - | 3,376 | - | 3,521 |
| Share-based payments | - | - | - | 51 | 51 |
| **At 30 June 2020** | **19,678** | **87,805** | **3,376** | **(39,513)** | **71,346** |
| Loss for the year | - | - | - | (13,806) | (13,806) |
| Total comprehensive loss for the year | - | - | - | (13,806) | (13,806) |
| Share capital issued | 10 | 212 | - | - | 222 |
| Share-based payments | - | - | - | (41) | (41) |
| **At 30 June 2021** | **19,688** | **88,017** | **3,376** | **(53,360)** | **57,721** |

## Group statement of cashflows
## for the year ended 30 June 2021

| | Notes | 2021 £'000 | 2020 £'000 |
|---|---|---|---|
| **Cashflows from operating activities** | | | |
| Continuing activities | 4 | **(1,191)** | 882 |
| Taxation paid | | **(124)** | (1,883) |
| **Net cash (used in) / generated by operating activities** | | **(1,315)** | (1,001) |
| | | | |
| **Cash flow from investing activities** | | | |
| Interest received | | **148** | 163 |
| Acquisition of exploration and evaluation assets | | **(369)** | (3,335) |
| Disposal of property, plant and equipment | | **4,000** | - |
| Acquisition of property, plant and equipment: development and production | | **(165)** | (34) |
| Acquisition of property, plant and equipment: other | | **(114)** | (416) |
| Decommissioning expenditure | | **(31)** | - |
| Net cash from Pitreadie | | **-** | 24 |
| **Net cash generated by / (used in) investing activities** | | **3,469** | (3,598) |
| | | | |
| **Cash flow from financing activities** | | | |
| Interest paid | | **(110)** | (113) |
| Lease payments | | **(421)** | (410) |
| Repayment from loans and borrowings | | **(3,100)** | - |
| **Net cash (used in) / generated by financing activities** | | **(3,631)** | (523) |
| | | | |
| **Net (decrease) / increase in cash and cash equivalents** | | **(1,477)** | (5,122) |
| | | | |
| Cash and cash equivalents at beginning of year | | **25,708** | 30,666 |
| Effect of foreign exchange rate differences | | **(853)** | 164 |
| **Cash and cash equivalents at end of year** | | **23,378** | 25,708 |

**Notes to the financial information for the year ended 30 June 2021**

## 1. Basis of preparation of the financial information

The financial information set out in this announcement does not comprise the Group and Company's statutory accounts for the years ended 30 June 2021 or 30 June 2020.

The financial information has been extracted from the audited statutory accounts for the years ended 30 June 2021 and 30 June 2020. The auditors reported on those accounts; their reports were 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.

The statutory accounts for the year ended 30 June 2020 have been delivered to the Registrar of Companies. The statutory accounts for the year ended 30 June 2021 will be delivered to the Registrar of Companies following the Company's Annual General Meeting.

The accounting policies are consistent with those applied in the preparation of the interim results for the period ended 31 December 2020 and the statutory accounts for the year ended 30 June 2020, and have been prepared in accordance with International Financial Reporting Standards ("IFRS") as adopted by the United Kingdom.

## 2. Administrative expenses

Administrative expenses include a charge in respect of a non-cash revaluation of share appreciation rights (SARs) and share based payments totalling £56,000 (2020: £1,364,000 credit). The SARs may be settled by cash and are therefore revalued with the movement in share price. The valuation was impacted by the increase in share price between 30 June 2020 and 30 June 2021.

## 3. Profit / (loss) per share

Profit/(loss) per share attributable to equity holders of the Company arise from continuing and discontinued operations as follows:

| | **2021** | 2020 |
|---|---|---|
| **(Loss) / profit per 1.5p ordinary share from continuing** | | |
| Basic | **(12.64)p** | (0.45)p |
| Diluted | **(12.64)p** | (0.45)p |

The calculations were based on the following information:

| | **2021**<br>**£'000** | 2020<br>£'000 |
|---|---|---|
| **Loss attributable to ordinary shareholders** | | |
| Continuing operations | **(13,806)** | (482) |
| **Total** | **(13,806)** | (482) |
| | | |
| **Weighted average number of shares in issue** | | |
| Basic weighted average number of shares | **109,188,561** | 106,282,006 |
| | | |
| **Dilutive potential ordinary shares** | | |
| Share options | **-** | - |

Profit/(loss) per share is calculated by dividing the profit/(loss) for the year by the weighted average number of ordinary shares outstanding during the year.

**Diluted profit/(loss) per share**

Profit/(loss) per share requires presentation of diluted profit/(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 therefore anti-dilutive and so are not included in dilutive potential ordinary shares.

## 4. Notes to the statement of cashflows

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

| | **2021** | 2020 |
|---|---|---|
| | **£'000** | £'000 |
| **Operating profit / (loss)** | **(12,771)** | (177) |
| Depreciation | **611** | 764 |
| Amortisation and exploration write-off | **10,855** | 1,298 |
| Loss on sale of property, plant and equipment | **388** | - |
| Gain on bargain purchase | **-** | (362) |
| Provision for share based payments | **(41)** | 51 |
| Currency translation adjustments | **853** | (164) |
| Decreases / (increase) in receivables | **62** | (683) |
| Decrease in stock | **65** | 230 |
| Increase/(decrease) in payables | **(1,213)** | (75) |
| | **(1,191)** | 882 |

## 5. Approval of this preliminary announcement

This announcement was approved by the Board of Directors on 25 November 2021.

## 6. Publication of annual report and accounts

Copies of the Annual Report and Accounts will be made available shortly on the Company's website www.parkmeadgroup.com, along with a copy of this announcement.