CALISEN

Half-Year Results 2020

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Basis of report

This report covers the results of Calisen plc (Calisen or the "Company" and together with its subsidiaries the "Group") for the half-year ended 30 June 2020. The results for the six months ended 30 June 2019 and the six and twelve months ended 31 December 2019, which are presented for comparative purposes, pre-date the formation of Calisen plc and reflect the performance of the predecessor Group holding company, Calisen Group Holdings Limited and its subsidiaries. The results for the twelve months ended 31 December 2019 can be found in the most recent financial statements. Further details are set out in notes 1 and 2 to the half-year financial statements on pages 25 and 26.

INTERIM MANAGEMENT REPORT FOR THE SIX MONTHS TO 30 JUNE 2020

EMERGING FROM COVID-19 STRONGER THAN AT ITS START

	Six months to 30 June 2020 £ million	Six months to 30 June 2019 £ million	Change %
Total revenue	117.4	92.6	26.8%
Underlying EBITDA*	87.4	86.2	1.3%
Statutory loss before tax	(23.4)	(40.3)	42.1%
Capex	63.6	146.0	(56.5%)
Funds From Operations (FFO)*	72.7	55.5	31.0%

	As at 30 June 2020 £ million	As at 31 December 2019 £ million	Change %
Adjusted net debt*	531.6	804.4	(33.9%)
Leverage (Adjusted net debt / Adjusted EBITDA) (x)*	2.8x	4.3x	(34.9%)

* Alternative Performance Measures. See page 46 for definitions. Reconciliations of these measures to IFRS measures are included within the relevant section of the financial review of the Interim Management Report.

FINANCIAL HIGHLIGHTS

- Revenue increased by 26.8 per cent to £117.4 million in 1H 2020 (1H 2019: £92.6 million);
- Underlying EBITDA of £87.4 million, notwithstanding the suspension of non-essential meter installations from March 2020 (1H 2019: £86.2. million);
- Statutory loss before tax decreased by £17.0 million to £(23.4) million in 1H 2020 (1H 2019: £(40.3) million);
- Capex decreased by 56.5 per cent to £63.6 million in 1H 2020 (1H 2019: £146.0 million);
- FFO grew by 31.0 per cent from £55.5 million in 1H 2019 to £72.7 million in 1H 2020 driven by a reduction in working capital; and
- Group cost of debt reduced to 2.5-3 per cent following c. £1.1 billion refinancing in July 2020.

OPERATIONAL UPDATE

- Revenue generating meter portfolio increased slightly to 8.7 million meters (31 December 2019: 8.5 million), with Lowri Beck re-starting non-essential smart meter installations in July;
- Growth in customer base of an energy retailer under exclusivity contract has driven further progress on the meter pipeline with an increase of 0.2 million contracted meters;
- Total forward pipeline of approximately 6.4 million smart meters yet to be installed as at 30 June 2020;
- Expected meter portfolio at end of roll-out period increased to 11.9 million meters;
- Following the completion of new consumer switching contracts, 85 per cent of all smart meters now benefit from early removal protection other than in limited circumstances such as product fault; and
- Lowri Beck now certified for EV charging point training and approved as an installer by first EV charging point manufacturer.

Bert Pijls, Chief Executive Officer, said:

"I am pleased to report that the business has made good progress during the half-year despite the challenging environment. I would like to thank all of our colleagues for their continued hard work which has enabled us to continue to execute our strategy and deliver the best possible service to our customers. While COVID-19 forced us temporarily to suspend non-essential installation and other activities, we have continued to grow our smart meter pipeline and our total projected 2025 smart meter portfolio now stands at 11.9 million meters. This compares to a management estimate of 11.2 million meters twelve months ago.

"We have also increased the proportion of smart meters enjoying early removal protection, other than in limited circumstances such as fault, if consumers switch supplier, boosting the robustness of our cash flows, thanks to signing further switching contracts with a number of energy retailers.

"Last month's £1.1 billion refinancing secures funding for the continued roll-out of smart meters from our pipeline while reducing our cost of debt. This puts us in a good position to continue funding new meters at a low cost of capital, maintaining our competitive position, and gives us the flexibility to tap alternative funding markets as we continue to grow.

"I welcome the Government's renewed commitment to the smart meter roll-out, which I believe to be a key element of the investment required to move towards decarbonisation. With meter installations re-started, I am confident that the combination of our resilient business model and financial strength will see the Group deliver growth as expected over the medium term."

SUMMARY INCOME STATEMENT

	Six months to 30 June 2020 £ '000	Six months to 30 June 2019 £ '000	Change %	Six months to 31 Dec 2019 £ '000	Change %
Total revenue	**117,361**	92,552	26.8%	116,205	1.0%
Cost of sales	**(56,733)**	(45,515)	(24.6%)	(66,140)	14.2%
Gross profit	**60,628**	47,037	28.9%	50,065	21.1%
Administrative expenses	**(13,026)**	(6,295)	(106.9%)	(10,476)	(24.3%)
Other expenses	**(8,580)**	-	-	(11,309)	24.1%
Amortisation of intangible assets	**(22,370)**	(20,400)	(9.7%)	(21,931)	(2.0%)
Operating profit	**16,652**	20,342	(18.1%)	6,349	162.3%
Finance income/(expense)	**(40,016)**	(60,673)	34.0%	(48,248)	17.1%
Profit/(loss) before tax	**(23,364)**	(40,331)	42.1%	(41,900)	44.2%
Taxation	**(11,127)**	3,339	NM	(1,238)	(799.1%)
Profit/(loss) for the period	**(34,491)**	(36,992)	6.8%	(43,137)	20.0%
Earnings per share (pence)	**(7.9)**	(168.1)	95.3%	(196.2)	96.0%
Adjusted earnings/(loss) per share (pence)[1]	**0.5**	53.7	(99.1%)	85.5	(99.4%)

[1] Profit/(loss) for the period before the cost of shareholder loans and equity bridge loans, the amortisation of brand and customer contracts and other expenses, divided by the weighted average number of shares in the period as set out in note 8 to the accounts.

Note: Calisen bills its energy retailer customers a Meter Provision Charge (MPC) on a daily basis. With 2020 being a leap year, there were 182 days in the first half of 2020 and there will be 184 days in the second half of 2020.

SUMMARY CONSOLIDATED BALANCE SHEET

	At 30 June 2020 £ '000	At 30 June 2019 £ '000	Change %	At 31 Dec 2019 £ '000	Change %
Assets					
Non-current assets	**1,397,308**	1,329,525	5.1%	1,402,096	(0.3%)
Current Assets	**203,839**	139,609	46.0%	107,693	89.3%
Total Assets	**1,601,147**	1,469,134	9.0%	1,509,789	6.1%
Liabilities and equity					
Current liabilities	**133,714**	151,007	(11.5%)	149,001	(10.3%)
Non-current liabilities	**603,365**	1,392,558	(56.7%)	1,477,124	(59.2%)
Deferred tax liability	**95,609**	85,278	12.1%	86,510	10.5%
Total liabilities	**832,688**	1,628,843	(48.9%)	1,712,635	(51.4%)
Total equity	**768,459**	(159,709)	NM	(202,846)	NM
Total equity and liabilities	**1,601,147**	1,469,134	9.0%	1,509,789	6.1%

KEY METRICS

	Six months to 30 June 2020 £ million	Six months to 30 June 2019 £ million	Change %	Six months to 31 Dec 2019 £ million	Change %
Growth in smart meter portfolio	**0.3**	0.6	(42.9%)	0.8	(57.3%)
Revenue generating meters at period end (m)	**8.7**	7.6	14.6%	8.5	2.0%
of which smart meters	***5.5***	*4.4*	*24.8%*	*5.2*	*6.3%*
of which traditional meters[1]	***3.2***	*3.2*	*0.6%*	*3.4*	*(4.7%)*
Estimated smart meter pipeline (m)	**6.4**	6.8	(5.8%)	6.5	(1.4%)
of which contracted	***6.4***	*6.5*	*(1.1%)*	*5.5*	*16.5%*
of which preferred bidder	***0.0***	*0.3*	*(100.0%)*	*1.0*	*(100.0%)*
Projected 2025 smart meters total (m)	**11.9**	11.2	6.2%	11.7	2.0%
Average revenue per smart meter (£)[2]	**25.7**	26.0	(1.2%)	26.3	(2.3%)
Average revenue per traditional meter (£)[2]	**20.5**	20.7	(1.0%)	20.5	-
Adjusted EBITDA (£m)[3]	**92.8**	92.3	0.5%	97.0	(4.3%)
Underlying EBITDA (£m)[3]	**87.4**	86.2	1.3%	87.8	(0.4%)
FFO (£m)[3]	**72.7**	55.5	31.0%	80.4	(9.6%)
Cash conversion (FFO/Underlying EBITDA) (%)	**83.2%**	64.3%	18.9pp	91.6%	(8.4pp)
Capex (£m)	**63.6**	146.0	(56.5%)	128.1	(50.4%)
Capex per meter (£)	**164.0**	164.8	(0.5%)	165.2	(0.7%)
Net debt (£m)	**531.6**	1,297.6	(59.0%)	1,387.6	(61.7%)
Adjusted net debt[3]	**531.6**	714.4	(25.6%)	804.4	(33.9%)
Underlying EBITDA interest cover[4]	**6.7x**	7.1x	(0.4x)	6.7x	-
Leverage (Adjusted net debt / Adjusted EBITDA) (x)[3]	**2.8x**	4.0x	(1.2x)	4.3x	(1.5x)

Notes: All percentage movements have been calculated from the underlying data and not all numbers sum due to rounding.
(1) Includes Lowri Beck traditional meter portfolio from 16 August 2019.
(2) Annualised measure. Calculation has changed as set out below.
(3) Alternative Performance Measures. See page 46 for definitions. Reconciliations of these measures to IFRS measures are included within the relevant section of the financial review of the Interim Management Report.
(4) Underlying EBITDA divided by interest expense adjusted to exclude interest on shareholder loans.

Average revenue per meter has been recalculated for prior periods using a rolling average of the previous 12 months' average revenue per meter. Previously, it was calculated using total meter revenue divided by a simple average of the opening and closing meter balances for the period.

CHIEF EXECUTIVE OFFICER'S STATEMENT

I am pleased to report good progress in the first half of 2020, despite the temporary delay in the growth of our smart meter portfolio due to the impact of COVID-19.

Growth in our meter pipeline, an increase in the proportion of our installed smart meters benefitting from early removal protection and the refinancing of approximately £1.1 billion of existing senior debt facilities mean that the Group is in a stronger position today than it was at the beginning of lockdown.

Growth in the customer base of an energy retailer with whom we have an exclusive installation contract has resulted in an increase in our contracted meter pipeline of 0.2 million meters. Our expected total installed portfolio of smart meters therefore grew from 11.7 million meters at March 2020 to 11.9 million meters at June 2020. I am delighted to say that this represents 0.7 million additional meters compared to our pipeline twelve months ago of 11.2 million meters.

We have agreed further consumer switching ('churn') contracts with existing energy retailer customers, resulting in an increase in the number of our installed smart meters which benefit from early removal protection (other than in limited circumstances such as product fault) when consumers switch away from the installing energy retailer. Compensation payments due following early removal of a meter typically reflect the net present value of cash flows that would be generated by the MPC if no such early removal had occurred. At a portfolio level, the percentage of smart meters benefitting from early removal protection has increased from 83 per cent at year end to 85 per cent at the end of June.

In July we completed the refinancing of approximately £1.1 billion of existing senior debt facilities with a new, more flexible financing platform. We issued long-term institutional debt to replace older medium-term bank debt and took advantage of historically low interest rates to reduce our overall cost of debt and at the same time extended our average tenor of the new facilities compared to those they replaced. Our financial performance should see a recurring benefit from this reduction in our overall cost of funding. In addition, the structure of the new financing platform will enable us to access a varied range of debt products and markets, helping to increase market breadth and depth for future financing.

Performance

The Group's base of installed traditional and smart meters continued to generate revenue as expected in the half-year. Income from smart meter MPCs and the installation of smart meters accounted for approximately 62 per cent of total Group revenues. With non-essential smart meter installations, temporarily, suspended between March and June, capex was materially lower than expected pre-COVID with a corresponding impact on growth in revenue and cash flow. This was partially offset as we benefitted from a lower than expected number of removals of traditional meters which therefore continued to produce revenue and cash flow.

In the Calvin Capital segment, revenue and Underlying EBITDA both grew compared to the first half of 2019. Lowri Beck continued to be loss-making, as expected, and in June we announced an operational review and restructuring of the business which aims to achieve breakeven at the EBITDA level for the 2021 financial year and make a positive contribution to the Group in the medium term. Regrettably, this is expected to lead to up to 250 redundancies in the second half of the year.

At a Group level, a comparison of financial performance between the first halves of 2019 and 2020 is made more complex by the fact that Lowri Beck's results were not consolidated until its acquisition in August 2019, meaning that there was no contribution from Lowri Beck recorded in the financial statements for the first half of 2019.

Performance highlights for the first half of 2020:

- Revenue increased by 26.8 per cent from £92.6 million in 1H 2019 to £117.4 million in 1H 2020;
- Underlying EBITDA increased by 1.3 per cent from £86.2 million in 1H 2019 to £87.4 million in 1H 2020;
- Interest expense decreased by 34.0 per cent from (£60.7) million in 1H 2019 to (£40.0) million in 1H 2020 due to the capitalisation of shareholder loans and repayment of equity bridge loans at IPO;
- Statutory loss before tax decreased by £17.0 million from £(40.3) million in 1H 2019 to £(23.4) million in 1H 2020;
- Capex decreased by 56.5 per cent from £146.0 million in 1H 2019 to £63.6 million in 1H 2020 predominantly due to the suspension of new smart meter installations from March 2020;
- FFO grew by 31.0 per cent from £55.5 million in 1H 2019 to £72.7 million in 1H 2020; and
- Group cost of debt reduced to 2.5–3 per cent following the c. £1.1 billion refinancing in July 2020.

Resumption of smart meter installations and other non-essential field work

I am pleased to report that smart meter installations and other non-essential field work have re-started. Calvin Capital saw some of its energy retailer customers beginning to resume smart meter installations in June and Lowri Beck resumed non-essential meter installations and other field work in July. Renewed non-essential smart meter installations at Lowri Beck are being carried out under an appropriate safety protocol to protect the health of staff, customers and consumers.

Government response to consultation on smart meter policy framework post-2020

On 18 June 2020, the Department for Business, Energy and Industrial Strategy (BEIS) published its response to the autumn 2019 consultation on the introduction of a new regulatory framework for energy retailers beyond 2020, when the current All Reasonable Steps supplier installation obligation comes to an end.

The UK Government confirmed that it remains committed to the Smart Meter Implementation Programme (SMIP) stating that smart meters have a crucial role to play in the UK's clean economic recovery, ensuring cost-effective progress towards the UK's net zero commitment in the next five years and for generations to come. BEIS confirmed the introduction of a new regulatory framework to cover a further four-year SMIP.

The BEIS response postponed the end of the current obligation by six months to the end of June 2021, postponed the start of the new four-year regulatory framework, and postponed the ultimate completion of the consultation itself. This means that the deadline for the completion of the SMIP, which had been expected to be the end of December 2024, has now been fixed for the end of June 2025. The six-month delay to the end of the roll-out does not materially change our view of Calisen's long-term growth prospects.

The new regulatory framework from July 2021 will see all energy retailers set annual installation targets on a trajectory towards market-wide roll-out subject to an annual tolerance level. Government expects to consult in autumn 2020 on the annual tolerance levels associated with the new framework. In our view, the new framework with annual installation targets represents a more rigorous obligation on energy retailers to roll-out smart meters than the previous obligation.

Restructuring of Lowri Beck

On 18 June 2020, the Group announced that it would begin a consultation with colleagues about the restructuring of its Lowri Beck business unit.

Lowri Beck was a capability enhancing acquisition made by the Group in August 2019, to enable us to provide meter installation services to the rapidly growing independent energy supplier segment. Calisen and Lowri Beck had worked together for a number of years, meaning the business was well known at the point of acquisition,

including the fact that it was loss-making at the operating level, a trend that continued into the first half of 2020 during which the COVID-19 pandemic halted non-essential meter installations.

A new leadership team was put in place at the beginning of the year and undertook a full review of Lowri Beck's business model and operations. This review concluded that structural changes needed to be made to ensure the long-term viability of the business. Though some restructuring had been expected at the time of Calisen's IPO, the COVID-19 pandemic made the review more urgent and accelerated the requirement for change.

The plans set out in June are expected to result in Lowri Beck achieving break-even at an EBITDA level for the full year 2021 and making a positive contribution to the Group in the medium term. It is also expected to lead to a reduction of up to 250 full time equivalent roles throughout Britain. Following the announcement, Lowri Beck started a consultation on the reduction in roles which is expected to conclude later this month. We hope to mitigate that number following consultation. In addition, we are pleased that we have, as at 1 August 2020, returned around 50 per cent of all employees who have been furloughed back to work and we expect to welcome more employees back over the coming months.

A restructuring reserve of £3.5 million has been recorded in these half-year accounts. The Group intends to repay amounts received from the Coronavirus Jobs Retention Scheme in respect of employees who are made redundant as a result of the restructuring of Lowri Beck, backdated to the start of the consultation process. The Non-Executive Directors, Executive Directors and the majority of the Executive Committee are committed to making a 20 per cent voluntary contribution of fees or salary (as applicable) received from the Group to the NHS COVID-19 charity until the end of October 2020 which is the expected end date of the furlough scheme.

In line with our strategy to extend our business into adjacent areas, in June, Lowri Beck was certified to train engineers in the installation of Electric Vehicle (EV) charging points. It has also recently become an approved installer for an EV charging point manufacturer and is in negotiations over the terms of a contract. This represents a small but strategic step into EV charging as one of the adjacent asset classes identified in our strategy as potential areas of further growth.

Dividend

The Directors have determined that no interim dividend will be paid in respect of the year ending 31 December 2020. At IPO, we indicated a dividend for 2020 of £7 million pro-rated from the date of listing and the Directors do not expect any change to this position.

Changes to the Board

As announced on 31 July 2020, James (Jim) Macdonald and Oleg Shamovsky each retired from the Board and Lisa Harrington and Alberto Signori were each appointed to the Board, all with effect from 1 August 2020.

I would like to place on record on behalf of the Board our thanks to both Jim and Oleg for their hard work, dedication and support to the Group both before and during the IPO process.

Jim Macdonald, having been a former Chair of Calvin Capital Limited and the Group's CEO from August 2012 to September 2017, has extensive knowledge of the metering industry and will be engaged by the Group as a consultant for a three-year period to provide advice and support to the Group on the metering market and on workforce engagement.

I am pleased to report that the composition of the Board is now fully compliant with the provision of the UK Corporate Governance Code 2018 that at least half the Board excluding the Chair should be independent directors. The Board now also meets the Hampton-Alexander objective of 33% female representation.

Outlook

Since we suspended installations in March, Calisen's installed meter portfolio has continued to generate steady and resilient "annuity-like" cash flows underpinned by our strong balance sheet. With meter installations having re-started, the transition back to normalised levels of activity is expected to be gradual and to take several months. We expect the volume of meter installations to increase through the third quarter and to average 80,000 to 100,000 meters per month in the fourth quarter, assuming there is no material second wave of COVID-19 or significant further local lockdowns. Average capital expenditure per new SMETS2 meter could rise from our current expectation of £165 if, as seems possible, there is upward pressure on installation costs.

While COVID-19 has caused a temporary delay in the installation of smart meters, we do not expect any material impact on our growth over the medium term. Significant smart meter growth has already been contracted but not yet implemented and there remain exciting longer-term opportunities for growth in adjacent digital energy assets and overseas markets.

We remain well placed to achieve our purpose of accelerating the development of a cleaner, more efficient and sustainable energy segment.

Bert Pijls
CEO
3 August 2020

FINANCIAL REVIEW

Summary

Group financial performance in the first half of 2020 reflects three significant changes compared to prior periods:

- The temporary suspension of installation activity in March 2020 resulted in a pause in capital expenditure in the period and a correspondingly slower draw down on senior debt facilities in the half-year;
- The IPO of the Group in February raised £300 million of new equity and resulted in a significant reduction in net debt and associated debt service costs as shareholder loans and equity bridge loans (EBLs) were capitalised and repaid, respectively, in early February. While these changes are reflected in the 30 June 2020 balance sheet in full, interest expense for the half-year is a combination of the costs of the previous capital structure until IPO and the current capital structure since IPO; and
- The consolidation of Lowri Beck from acquisition in August 2019 means that while the financial statements for the first half of 2020 include Lowri Beck's contribution (loss) for the whole half-year, those for 2019 reflect the performance of the Calvin Capital segment alone.

Taking into account these three factors, the trading performance of the Group during the period was largely flat at an Underlying EBITDA level compared to the first half of 2019. In the circumstances, we believe this represents a good performance and one that emphasises the robust downside protections embedded in our business.

Non-trading items and underlying performance

There were a number of non-trading items recorded in the half-year: the costs associated with the IPO; the reduction in interest expense following changes to the capital structure at IPO; the restructuring of Lowri Beck; and the cancellation of the expected reduction in the rate of corporation tax as part of the Government's fiscal response to COVID-19.

The table below shows a reconciliation between the statutory loss for the period and underlying loss for the period adjusting for non-trading items and the loss at Lowri Beck to enable a better comparison to the trading performance in the first half of 2019, prior to the acquisition of Lowri Beck.

Underlying loss after tax: reconciliation to statutory loss after tax

	Six months to 30 June 2020 £ '000	Six months to 30 June 2019 £ '000	Change %
Statutory profit/(loss) for the period	(34,491)	(36,992)	6.8%
Lowri Beck trading loss for the period	4,332	-	-
Lowri Beck restructuring reserve	3,500	-	-
Calvin Capital underlying trading loss for the period	(26,659)	(36,992)	27.9%
IPO costs	5,080	-	-
Interest on shareholder loans and EBLs pre-IPO	6,611	28,550	(76.8%)
Additional tax charges due to change in corporation tax rate and revision of useful economic lives of meters	10,873	-	-
Calvin Capital Underlying profit / (loss) for the period	(4,095)	(8,442)	51.5%

Note: Since the announcement of the restructuring of Lowri Beck on 18 June 2020, as the restructuring plan has been worked through in detail, the amount of the restructuring reserve has decreased from £4.0 million to £3.5 million.

Prior to non-trading items and after reduced interest charges as if the IPO had occurred on 31 December 2019, the Group's loss after tax from underlying trading activity for the half year to 30 June 2020 would have been £4.1 million compared to a loss of £8.4 million in the half year to 30 June 2019.

Revenue

	Six months to 30 June 2020 £ '000	Six months to 30 June 2019 £ '000	Change %	Six months to 31 Dec 2019 £ '000	Change %
Calvin Capital revenue	**97,856**	92,552	5.7%	97,151	0.7%
Lowri Beck revenue	**19,974**	-	-	20,498	(2.6%)
Intercompany deduction	**(469)**	-	-	(1,444)	67.5%
Total revenue	**117,361**	92,552	26.8%	116,205	1.0%
Revenue generating meters at period end (m)					
Smart	**5.5**	4.4	24.8%	5.2	6.3%
Traditional	**3.2**	3.2	0.6%	3.4	(4.7%)
Annualised average revenue per meter (£)					
Smart	**25.7**	26.0	(1.2%)	26.3	(2.3%)
Traditional	**20.5**	20.7	(1.0%)	20.5	-

Group revenue grew materially in the first half of 2020 compared to the first half of 2019, increasing 26.8 per cent to £117.4 million, reflecting both the consolidation of Lowri Beck for a full six months as well as resilient revenue in the Calvin Capital operating segment despite the temporary suspension of non-essential meter installations. The MPC billed to our energy retailer customers is calculated on a daily basis with the first half of the year totalling 181 days (or 182 days in a leap year such as 2020) and the second half of the year totalling 184 days which impacts the comparability of different half-year periods. To assist with the impact of COVID-19, Calvin Capital offered energy retailers an extension of the period after which some meters purchased but not yet installed started to accrue or pay an MPC from 90 days to 180 days for a period of time.

The smart meter portfolio grew from 5.2 million meters at 31 December 2019 to 5.5 million meters at 30 June 2020, a net increase of 0.3 million meters or 6.3 per cent. The traditional meter portfolio was 3.2 million meters at the end of June 2020. This was flat compared to 3.2 million at 30 June 2019, due to the consolidation of Lowri Beck's portfolio of approximately 0.4 million traditional meters from August 2019, and a reduction of 4.7 per cent from 3.4 million as at December 2019.

Annualised average revenue per meter (ARPM) in the first half of 2020 at £23.6 was unchanged from the first half of 2019 and comprised:

- a 1.2 per cent decrease in smart meter ARPM from £26.0 in 2019 to £25.7 in the first half of 2020 in line with our expectations of a gradual reduction over the next few years; and
- a 1.0 per cent decrease in traditional meter ARPM over the same period from £20.7 to £20.5.

Within the traditional meter ARPM, due to mix effects in the portfolio including the incorporation of Lowri Beck meters, ARPM at £20.5 in the current half-year was marginally lower than £20.7 in the previous year.

Within the Calvin Capital operating segment, revenue increased 5.7 per cent to £97.9 million, driven by growth in the revenue-generating smart meter portfolio since the first half of 2019 and taking account of lower than expected growth in the first half of 2020 due to the suspension of non-essential meter installations from March 2020. Compared to the second half of 2019, revenue in the first half of 2020 increased by 0.7 per cent, despite, as referred to above, the offer to extend from 90 days to 180 days the period after which uninstalled meters start to accrue or pay meter provision charges, due to growth in the meter portfolio.

Lowri Beck contributed revenue of £20.0 million in the half-year ended 30 June 2020 with no contribution in the same period of 2019.

Cost of sales

	Six months to 30 June 2020 £ '000	Six months to 30 June 2019 £ '000	Change %	Six months to 31 Dec 2019 £ '000	Change %
Total cost of sales	**(56,733)**	(45,515)	(24.6%)	(66,140)	14.2%

Cost of sales across the Group increased 24.6 per cent to £56.7 million in the first half of 2020, mostly driven by the inclusion of Lowri Beck as well as a larger revenue-generating meter portfolio and partially offset by a reduction in the annual charge for the depreciation of traditional meters as well as a slight decline in compensation income. This amount included a net deduction of £5.6 million for the grant received in respect of a maximum of 1,420 employees who were placed on furlough under the Coronavirus Jobs Retention Scheme. The Group intends to repay all amounts received from the Coronavirus Jobs Retention Scheme in respect of employees who are made redundant as a result of the restructuring of Lowri Beck, referred to earlier, back-dated to the start of the consultation process.

The Group had previously estimated that the useful economic life of a traditional meter should end, at the latest, one year after the regulatory deadline for the SMIP with all net book values being depreciated on a straight-line basis to nil by 31 December 2021, thus allowing for some time beyond the regulatory deadline of 31 December 2020. On 18 June 2020, BEIS published its response to a consultation on smart meter policy framework post-2020. This extended the existing regulatory framework for the SMIP by six months to 30 June 2021 and implemented a new four-year regulatory framework ending on 30 June 2025. The estimated date for the end of the useful economic life of traditional meters has therefore been extended to 30 June 2025. On 31 December 2019, the book value of traditional meters amounted to £65.5 million; this will now be depreciated over five and a half years, starting from 1 January 2020, rather than over two years. This has the effect of reducing the annual depreciation charge for traditional meters in 2020 from £33.1 million to £15.9 million, of which £8.6 million was charged in the first half.

Compensation income relates to termination charges when metering equipment is removed earlier than contracted. Compensation income therefore results in a reduction in cost of sales. It decreased by 11.0 per cent to £5.4 million in the first half of 2020, driven primarily by lower volumes of traditional meter removals due to the suspension of smart meter installations from March 2020 and the overall ageing of the traditional meter fleet.

Administrative and other expenses

	Six months to 30 June 2020 £ '000	Six months to 30 June 2019 £ '000	Change %	Six months to 31 Dec 2019 £ '000	Change %
Administrative expenses	(13,026)	(6,295)	(106.9%)	(10,476)	(24.3%)
Other expenses	(8,580)	-	-	(11,309)	24.1%

Administrative expenses consist of costs associated with corporate functions, such as wages and salaries, depreciation of non-metering assets, amortisation of development costs, as well as legal and professional fees and costs associated with the testing of meters. Administrative expenses also include net foreign exchange (loss)/gain and auditors' remuneration.

Administrative expenses increased substantially from £6.3 million in the first half of 2019 to £13.0 million in the first half of 2020. Administrative expenses at Calvin Capital increased by 42.0 per cent from £6.3 million in 2019 to £8.9 million in 2020. This reflected increased headcount and associated costs required to service the enlarged and newly listed business.

The Lowri Beck operating segment's administrative expenses in the half year were £4.1 million (2019: no expense). This amount included a net deduction of £0.2 million for the grant, mentioned above, received under the Coronavirus Jobs Retention Scheme.

Other expenses of £8.6 million consisted of £3.5 million relating to the restructuring of Lowri Beck and £5.1 million of costs associated with the Group's IPO in February 2020. Further IPO-related costs of £6.0 million were offset against share premium as they related directly to underwriting costs for raising new equity.

Operating profit

Operating profit represents revenue, less cost of sales, administrative expenses, other expenses and amortisation of intangible assets. Operating profit held up well at £16.7 million in the first half of 2020 (1H 2019: £20.3 million) after including the Lowri Beck operating loss of £7.0 million in the period.

Interest expense

	Six months to 30 June 2020 £ '000	Six months to 30 June 2019 £ '000	Change %	Six months to 31 Dec 2019 £ '000	Change %
Finance income/(expense)	(40,016)	(60,673)	34.0%	(48,248)	17.1%

In February 2020, as part of a reorganisation in conjunction with the Group's IPO, all shares held in Calisen Group Holdings Limited by its parent Evergreen Energy Limited were transferred to Calisen plc, a newly incorporated intermediate parent entity. The IPO provided the Group with £300 million of primary proceeds, before costs, which was used to reduce external debt and fully repay all amounts outstanding under EBL arrangements. In addition, the Group's shareholder loans were converted to equity on IPO.

Interest expense for the first half of 2020 therefore consisted of two elements: £6.6 million of cost from shareholder loans and EBLs under the pre-IPO capital structure and £33.3 million of cost from senior debt and associated hedges for the full half-year. The reduction in net debt following the IPO resulted in a 34.0 per cent reduction in interest expense from £60.7 million in the first half of 2019 to £40.0 million in the first half of 2020. Since 30 June 2020, the Group has substantially refinanced a number of its debt facilities – see "Post balance sheet event" below.

Taxation

	Six months to 30 June 2020 £ '000	Six months to 30 June 2019 £ '000	Change %	Six months to 31 Dec 2019 £ '000	Change %
Taxation	**(11,127)**	3,339	NM	(1,238)	(799.1%)

In the first half of 2020, the Group recognised a corporation tax charge of £11.1 million. In contrast, in the first half of 2019, the Group recognised a tax credit of £3.3 million, as a result of the unwinding of deferred tax liabilities on intangible assets being in excess of the corporation tax charge in the period.

As part of its fiscal response to COVID-19, on 11 March 2020 the UK Government announced the cancellation of the proposed reduction in the rate of corporation tax from the current 19 per cent to 17 per cent. Additionally, as mentioned above, the Group extended the useful economic life of its traditional meter portfolio to 30 June 2025 from 31 December 2021. As a result of re-measuring the deferred tax liability on the net book value of customer contracts and brands and traditional meters at the higher rate of 19 per cent, the Group recorded a one-off increase in deferred taxation liability in the half-year of £10.9 million. This increased the total tax charge for the first half of 2020 to £11.1 million.

EBITDA

	Six months to 30 June 2020 £ million	Six months to 30 June 2019 £ million	Change %	Six months to 31 Dec 2019 £ million	Change %
Profit/(loss) for the period	**(34,491)**	(36,992)	6.8%	(43,137)	20.0%
Add/(deduct):					
Taxation	**11,127**	(3,339)	NM	1,238	799.1%
Add/(deduct):					
Finance expense	**40,016**	60,673	(34.0%)	48,248	(17.1%)
Written-off net book value of disconnected meters	**6,454**	11,213	(42.4%)	10,968	(41.2%)
Amortisation of intangible assets	**22,370**	20,400	9.7%	21,931	2.0%
Depreciation of plant, property and equipment	**38,730**	40,462	(4.3%)	46,303	(16.4%)
Other expenses	**8,580**	(103)	NM	11,412	(24.8%)
Adjusted EBITDA	**92,786**	92,315	0.5%	96,963	(4.3%)
Deduct:					
Compensation income	**(5,406)**	(6,072)	(11.0%)	(9,208)	(41.3%)
Underlying EBITDA	**87,380**	86,243	1.3%	87,755	(0.4%)
Underlying EBTIDA margin (%)	**74.5%**	93.2%	(18.7pp)	75.5%	(1.0pp)

Adjusted EBITDA is calculated by reference to the profit/(loss) for the period and adjusting this for taxation, finance income/(expenses), depreciation, amortisation, profit/(loss) on disposal of non-current assets and significant costs that are one-off in nature.

Adjusted EBITDA increased by 0.5 per cent from £92.3 million to £92.8 million. While this was relatively flat, the first half of 2020 included the consolidation of Lowri Beck's EBITDA loss of £1.7 million in the period.

Underlying EBITDA is composed of Adjusted EBITDA less compensation income. Compensation income is received from relevant contractual arrangements where meters are prematurely removed, and, as a consequence, reflects income that would have otherwise been earned in future periods. Notwithstanding the recently extended timeframe of the SMIP to 30 June 2025, compensation income may not be significant beyond that point in the future and is therefore deducted when looking at Underlying EBITDA.

Underlying EBITDA increased by 1.3 per cent from £86.2 million to £87.4 million.

Underlying EBITDA margin decreased by 18.7 per cent, from 93.2 per cent in the first half of 2019 to 74.5 per cent in the same period in 2020, with the majority of this decrease attributable to the consolidation of Lowri Beck into the Group's financial results. As a result of the different operating characteristics of Lowri Beck's business, the impact of consolidating Lowri Beck into Calisen's financial statements resulted in an increase in administrative expenses and an associated decrease in Underlying EBITDA margin.

Dividend

In line with the dividend policy set out at IPO, the final dividend for the year ending 31 December 2020 is expected to be approximately £7 million, pro-rated for the number of days for which the Company is listed in the year. The Directors are not proposing to pay an interim dividend.

Funds From Operations (FFO)

	Six months to 30 June 2020 £ million	Six months to 30 June 2019 £ million	Change %	Six months to 31 Dec 2019 £ million	Change %
Underlying EBITDA	87,380	86,243	1.3%	87,755	(0.4%)
Change in adjusted working capital	2,373	(16,718)	NM	9,048	(73.8%)
Interest / derivatives	(13,046)	(12,067)	(8.1%)	(14,072)	7.3%
Taxation paid	(4,009)	(1,966)	(103.9%)	(2,351)	70.5%
FFO	72,699	55,492	31.0%	80,380	(9.6%)
FFO/Underlying EBITDA	83%	64%	19pp	92%	(9pp)

FFO is defined as Underlying EBITDA less relevant finance costs, taxation and adjusted net working capital items. Relevant finance costs exclude fair-value movement on derivatives (as this is a non-cash item), shareholder loan interest and charges relating to letter of credit facilities (on the basis that they no longer form part of Calisen's capital structure) and interest rate swap break costs. Adjusted net working capital items include change in trade and other receivables and change in other payables, but exclude prepayments relating to the letter of credit facilities, any movements in payables where the creditor relates to capital expenditure and any items to the extent they relate to non-trading items such as compensation debtors or capital expenditure creditors, including related VAT balances. FFO also does not include compensation income. Capital expenditure creditors are excluded to the extent that they represent new meter installation costs.

FFO increased by 31.0 per cent from £55.5 million in the first half of 2019 to £72.7 million in the first half of 2020, with an increase in cash taxation paid more than offset by a £19.1 million movement in working capital from a £16.7 million increase in the first half of 2019 to a £2.4 million decrease in 2020, driven mainly by lower debtors at Lowri Beck reflecting lower invoicing activity while installations and meter reading were suspended.

Capital expenditure

Capital expenditure for the Group decreased by 56.5 per cent to £63.6 million in the first half of 2020 from £146.0 million in the first half of 2019 primarily due to the suspension of meter installations in March 2020 as a result of the COVID-19 pandemic. With installations in the half-year to June 2020 curtailed, Calisen's portfolio of revenue-generating smart meters grew only modestly. At 30 June 2020, Calisen's meter portfolio comprised 5.5 million smart meters and 3.2 million traditional meters.

Calisen incurred average capital expenditure per new SMETS2 meter in the half-year of £164, in line with expectations.

Summary consolidated balance sheet

	At 30 June 2020 £ '000	At 30 June 2019 £ '000	Change %	At 31 Dec 2019 £ '000	Change %
Assets					
Non-current assets	**1,397,308**	1,329,525	5.1%	1,402,096	(0.3%)
Current Assets	**203,839**	139,609	46.0%	107,693	89.3%
Total Assets	**1,601,147**	1,469,134	9.0%	1,509,789	6.1%
Liabilities and equity					
Current liabilities	**133,714**	151,007	(11.5%)	149,001	(10.3%)
Non-current liabilities	**603,365**	1,392,558	(56.7%)	1,477,124	(59.2%)
Deferred tax liability	**95,609**	85,278	12.1%	86,510	10.5%
Total liabilities	**832,688**	1,628,843	(48.9%)	1,712,635	(51.4%)
Total equity	**768,459**	(159,709)	NM	(202,846)	NM
Total equity and liabilities	**1,601,147**	1,469,134	9.0%	1,509,789	6.1%

The Group's balance sheet, notably the structure of its liabilities and equity, changed substantially in the first half of 2020 as a result of the IPO.

The Group's total assets grew by 6.1 per cent from £1,510 million at 31 December 2019 to reach £1,601 million at 30 June 2020. Within that total, non-current assets decreased by 0.3 per cent to £1,397.3 million, driven by a lower than expected increase in plant, property & equipment, as the smart meter roll-out was paused in March 2020, being more than offset by the continued amortisation of intangible assets. Current assets increased by 89.3 per cent from £107.7 million at 31 December 2019 to £203.8 million at 20 June 2020 largely due to increased cash balances following the IPO and as a result of the Group drawing £48.0 million from the revolving credit facility put in place at IPO during the half-year as a precaution to ensure ample liquidity during the COVID-19 pandemic.

The IPO provided the Group with £300 million of new primary proceeds, before costs, which was used to reduce external debt and fully repay the EBLs of £230.4 million. In addition, the Group's shareholder loans, which amounted to £583.2 million at 31 December 2019, were converted to equity on IPO. As a result, total liabilities decreased by 51.4 per cent from £1,712.6 million at 31 December 2019 to £832.7 million at 30 June 2020. Within that total, current liabilities reduced by 10.3 per cent from £149.0 million at 31 December 2019 to £133.7 million at 30 June 2020 mostly due to a decrease in trade creditors. Non-current liabilities reduced by 59.2 per cent from £1,477.1 million at 31 December 2019 to £603.4 million at 30 June 2020 due to the conversion of shareholder loans into equity and the repayment of EBLs.

Total equity benefitted from the capitalisation of shareholder loans and the proceeds from the issue of new shares at IPO of £300 million, before costs, resulting in negative total equity of £159.7 million at 30 June 2019 increasing to a positive balance for total equity of £768.5 million at 30 June 2020.

Net debt

	At 30 June 2020 £ '000	At 30 June 2019 £ '000	Change %	At 31 Dec 2019 £ '000	Change %
Shareholder loans	**-**	583,206	(100.0%)	583,173	(100.0%)
Senior debt[1]	**680,281**	572,682	18.8%	622,933	9.2%
Invoice discounting facility and hire purchase	**78**	-	-	5,291	(98.5%)
Equity bridge loans	**-**	214,536	(100.0%)	226,541	(100.0%)
Total debt	**680,359**	1,370,424	(50.4%)	1,437,938	(52.7%)
Cash	**(148,729)**	(72,818)	104.2%	(50,315)	195.6%
Net debt	**531,630**	1,297,606	(59.0%)	1,387,623	(61.7%)
Shareholder loans	**-**	583,206	(100.0%)	(583,173)	(100.0%)
Adjusted net debt	**531,630**	714,400	(25.6%)	804,450	(33.9%)

[1] Senior debt excludes debt issue costs.

The structure of the Company's borrowings changed significantly during the first half of 2020. Total debt fell by 52.7 per cent from £1,437.9 million at 31 December 2019 to £680.4 million at 30 June 2020.

During the first half of 2020, in addition to £230.4 million of EBLs paid down at IPO, the Group paid down £49.5 million of amortising senior debt. Additionally, £57.5 million of senior debt was drawn down to help fund the installation of new meters in the period and £48.0 million was drawn from the corporate revolving credit facility put in place at IPO as mentioned above.

Net debt as at 30 June 2020 was £531.6 million, comprising £680.3 million of senior debt facilities (excluding debt issue costs) and £0.1 million of hire purchase costs less £148.7 million of cash. This represented a Net debt to Adjusted EBITDA ratio at 30 June 2020 of 2.8x which was unchanged from the pro forma ratio at 31 December 2019 (adjusted as if the IPO had occurred on that date). The Group is operating well within the principal financial covenant in its debt facilities at Group level, namely a Net Debt to Adjusted EBITDA ratio of no more than 5.5 times.

Capital reduction

In June 2020, as the final part of the capital reorganisation begun at IPO, the Company undertook a reduction in its share capital, whereby the entire amount standing to the credit of the Company's share premium account was cancelled, in order to create distributable reserves. The initial estimated amount to be credited to retained reserves of the Company was £1,089.8 million, however, following the completion of the interim results to 30 June 2020 the final amount was £1,082.6 million.

Business unit overview

Six months to 30 June 2020 (£ '000)	Calvin Capital	Lowri Beck	Total
Total revenue from external customers	97,856	19,505	117,361
Cost of sales	(38,525)	(18,208)	(56,733)
Segment gross profit	**59,331**	**1,297**	**60,628**
Administrative expenses	(8,937)	(4,089)	(13,026)
Other expenses	(5,080)	(3,500)	(8,580)
Amortisation	(21,663)	(707)	(22,370)
Segment operating profit	**23,651**	**(6,999)**	**16,652**
Finance income/(expense)	(39,183)	(833)	(40,016)
Profit/(loss) before tax	**(15,532)**	**(7,832)**	**(23,364)**

Calvin Capital

Revenue: £97.9 million
Segment operating profit: £59.3 million
Net growth in meters: 0.2 million
Revenue generating meters: 8.4 million

Calvin Capital is almost exclusively a MAP that procures, installs, owns and manages a growing portfolio of domestic electricity and gas meters, with a particular focus on smart meters. As a MAP, Calvin Capital manages its revenue-generating meters by tracking them from delivery to installation and ultimately through removal.

Calvin Capital provides domestic metering solutions by contracting with its energy retailer customers to procure domestic metering equipment from manufacturers, arrange for its installation and provide for its management. In return, Calvin Capital receives ongoing MPCs from its energy retailer customers who are using the metering equipment, while retaining ownership of it.

As at 30 June 2020, Calvin Capital's revenue-generating meter portfolio consisted of approximately 5.5 million smart meters and 2.9 million traditional meters. Based on management estimates, Calvin Capital, as at 30 June 2020, had a MAP pipeline of approximately 6.4 million smart meters expected to be added to the portfolio by the end of the SMIP.

Lowri Beck

Revenue: £19.5 million
Segment operating profit: £(7.0) million
Smart meter installations: 45,000
Meter readings: 1.9 million

The Lowri Beck business unit has three product lines:

- Technical services. This covers the installation of meters by technically qualified engineers. Lowri Beck installed approximately 45,000 smart meters in the first half of 2020;
- Non-technical services. Lowri Beck retrieves, processes and aggregates data in the course of its meter reading work, which it passes on to energy retailers for billing and settlements purposes. Lowri Beck carried out approximately 1.9 million billable meter readings in the six months ended 30 June 2020; and
- MAP services. This product line is an asset ownership platform with traditional electricity and gas meters. As at 30 June 2020, Lowri Beck owned a portfolio of approximately 0.3 million revenue-generating traditional meters.

On 18 June 2020, the Group announced that it would begin a consultation with colleagues about the restructuring of its Lowri Beck business unit. Calisen and Lowri Beck had worked together for a number of years, meaning the business was well known at the point of acquisition, including the fact that it was loss-making at the operating level, a trend that continued into the first quarter of 2020 when the COVID-19 pandemic halted meter installations.

A new leadership team was put in place at the beginning of the year and undertook a full review of the business model and operations. This review concluded that structural changes needed to be made to ensure the long-term viability of the Lowri Beck business. Though some restructuring had been expected at the time of IPO, the COVID-19 pandemic has made the review more urgent and accelerated the requirement for change.

Post balance sheet event

£1.1 billion refinancing of certain senior debt facilities and new debt funding platform

On 6 July 2020, the Group entered into a refinancing for approximately £1.1 billion of certain of its meter financing facilities. This has diversified the Group's financing sources and facilitates future access to debt capital markets to support continued growth. Completion of the refinancing took place on 22 July 2020 once certain financial conditions precedent had been met and notification periods had been achieved.

The two existing bank facilities refinanced were for £400 million, maturing in October 2022, and £730 million, maturing in September 2029. These senior debt facilities have been replaced by:

- A fixed rate institutional tranche of £290 million which amortises from June 2025 and is to be repaid by December 2034; and
- An amortising bank loan of £192.5 million to be repaid by December 2023.

Additionally, the following committed but undrawn facilities became available as part of the new structure to fund the continued roll-out of smart meters from the Group's pipeline:

- An amortising capital expenditure facility of £115 million to be repaid by December 2027;
- A revolving credit facility (Platform RCF) of £400 million due June 2025; and
- A standby facility of £70 million due June 2025.

The total committed facilities under the financing platform are £1,068 million. Following the refinancing, the total drawn and undrawn facilities available to the Group are £1,526 million.

The refinancing results in:

- A reduction in the Group's average cost of debt to approximately 2.5-3 per cent compared to its previous all-in cost of funds of approximately 3-4 per cent (including the cost of hedging floating rate debt to fixed rates) as noted at the time of the Group's IPO in February; and
- An extension to the weighted average life of the longer-term drawn project finance facilities which have been refinanced from 3.8 years to 8.5 years under the new long-term institutional tranche.

The flexible nature of the financing platform allows the Group periodically to refinance the Platform RCF with longer dated debt, which should thereby allow the Group to continue to extend debt tenors at competitive long-term rates as the smart meter roll-out progresses.

As part of the re-financing, at completion the Group replaced some of its previous interest rate swaps which resulted in a one-off cash cost of £46.3 million funded from the new facilities. This cost will be offset by the benefits of the lower interest rates achieved across the new funding facilities over their duration. The Group also entered into new interest rate swaptions which attracted an upfront premium of £4.8 million. The previous swaps were carried on the balance sheet at fair value and the mark-to-market liability at 30 June 2020 was £44.3 million. The impact to be recognised in the income statement in the second half of 2020 is therefore limited to the movement in fair value between 30 June 2020 and completion of the refinancing on 22 July 2020, when the fair value of the swap was settled, and amounts to £2.0 million.

As a result of the refinancing, capitalised debt issue costs relating to the existing refinanced facilities of £14.5 million have been expensed and costs of £14.0 million relating to the establishment of the new funding platform have been capitalised and will be amortised over time.

Following the completion of the refinancing on 22 July 2020, the banking facilities available to the Group are as follows:

Description	Facility	Maturity	Drawn [1]	Undrawn [1]	Total
(£ million)					
Mature senior debt facilities	Facility 1	March 2026	43.0	-	43.0
	Facility 2	June 2024	166.0	-	166.0
Group facilities	Facility 5	December 2022	10.0	-	10.0
	Corporate RCF	February 2025	48.0	192.0	240.0
New core funding platform	Tranche A	December 2034	290.0	-	290.0
	Tranche B	December 2023	192.5	-	192.5
	Capex	December 2027	-	115.0	115.0
	Platform RCF	June 2025	-	400.0	400.0
	Standby	June 2025	-	70.0	70.0
	Total facilities available to the Group:		749.5	777.0	1,526.5

1 Drawn and undrawn funds at 22 July 2020.

Outlook and guidance

Group metrics

- Calisen's contracted installation pipeline for MAP contracts consists of approximately 6.4 million meters expected to be installed by mid-2025;
- Taken together with the existing portfolio of smart meters and expected removal of traditional meters, management estimates an end of roll-out portfolio of 11.9 million smart meters. Management believes that further contracts will become available to tender in the market although uncontracted meter volumes from 2020 onwards are expected to be low;
- The Group's effective tax rate is expected to be in the low single digit percentage range; and
- The Group to reach a medium-term maximum Adjusted net debt/Adjusted EBITDA leverage ratio threshold of 4.0x during the SMIP and then de-lever to a 3.0x to 3.5x range thereafter.

Calvin Capital business unit

- Following the resumption of installations, during the remainder of the smart meter roll-out, the average revenue per meter for Calvin Capital's smart meters is expected to decrease by a low single digit percentage per annum reflecting the changing mix of the portfolio towards SMETS2 meter installation contracts with 15 year terms;
- We expect the volume of meter installations to increase through the third quarter and to average 80,000 to 100,000 meters per month in the fourth quarter, assuming there is no material second wave of COVID-19 or significant further local lockdowns;
- Average revenue per traditional meter in 2020 expected to be relatively flat to 2019;
- Expected average capital expenditure per new SMETS2 meter of £165; and
- Average capital expenditure per new SMETS2 meter could rise if, as seems possible, there is upward pressure on installation costs.

Lowri Beck business unit

- Lowri Beck is expected to be loss-making at the EBITDA level for the full year 2020 but to achieve breakeven at the EBITDA level for the full year 2021 and to make a positive contribution to Group results in the medium term;
- MAP: Traditional meters expected to be fully removed by mid-2025;
- Non-Technical Services: Meter reading revenues are expected to decline until mid-2025;
- Technical Services: Majority of installations expected to be executed for Calvin Capital over time; and
- Medium term expectation for business to see normalised level of metering services such as maintenance, manual reads and installation post the SMIP. In addition, expected growth in alternative asset classes such as the installation of EV charging points.

PRINCIPAL RISKS AND UNCERTAINTIES

Principal risks

The Group's principal risks as at 30 June 2020 are set out below.

- Health and safety
- Strategy execution and development
- Government policy (including Brexit)
- Market and counterparty risk
- Supply chain and counterparties
- Business interruption and IT systems
- Financial and funding risk
- Attracting talent and retention of key staff with organisational knowledge
- Loss of accreditations
- Emerging economic and global issues (including COVID-19)

Further details on the above risks can be found on pages 57 to 59 of the 2019 Group Annual Report and Accounts.

Apart from the risk caused by the impact of COVID-19 set out in more detail in the table below, the Board does not believe there has been a material change in the above principal risks in the first six months of 2020. The Board does not expect a material change in these risks in the remaining six months of the year.

Risk	**Key controls and mitigation**
COVID-19 The ability of Calisen and its subsidiaries to operate effectively may suffer as a result of: • increased levels of cyber threat activity; • restrictions on travel and reduced access rates reducing the number of installations and meter readings; • local lockdowns causing operational inefficiencies and complex organisation issues; • impact of the required safety protocols on the cost of meter installations as a result of COVID-19; • increased risk of bad debts due to potential wider economic impact of COVID-19; and • increased levels of absence due to sickness.	The executive committee has been meeting via video call twice a week and the Board has been meeting fortnightly to manage and monitor (respectively) the impact of COVID-19 on the Group. These meetings have continued in the second half of the year with the schedule being reviewed during August 2020. To help mitigate the spread of COVID-19 the Group temporarily suspended all non-essential installations and field services and closed all its offices and warehouses with the exception of facilities used by a small group of engineers who remained on standby to respond to emergency call-outs. All staff who could work from home have been and will continue to do so for the foreseeable future. We are returning metering installation and meter reading staff to work slowly and carefully with an appropriate safety protocol in place to protect the health of field staff, customers and consumers. Engagement activities utilising video conferencing were put in place to support the morale and mental health of staff, including those working from home, during lockdown. Appropriate IT controls were in place to protect against the increased risk of cyber threat activity and we ran increased awareness campaigns for staff on malware and phishing attacks.

CONDENSED CONSOLIDATED HALF-YEAR FINANCIAL STATEMENTS

Consolidated Income Statement and Statement of Comprehensive Income

	Notes	Six months ended 30 June 2020	Six months ended 30 June 2019	Year ended 31 December 2019
		£'000	£'000	£'000
Revenue	3	**117,361**	**92,552**	**208,757**
Cost of sales	3	(56,733)	(45,515)	(111,655)
Gross profit		**60,628**	**47,037**	**97,102**
Administrative expenses	3	(13,026)	(6,295)	(16,771)
Other expenses	6	(8,580)	-	(11,309)
Amortisation of intangible assets	9	(22,370)	(20,400)	(42,330)
Group operating profit		**16,652**	**20,342**	**26,692**
Finance expense	5	(40,016)	(60,673)	(108,922)
Loss before tax		**(23,364)**	**(40,331)**	**(82,230)**
Taxation (charge)/credit	7	(11,127)	3,339	2,101
Loss for the period		**(34,491)**	**(36,992)**	**(80,129)**
Loss and total comprehensive loss attributable to equity holders of the parent		(34,491)	(36,992)	(80,129)
Earnings per share:				
Basic (pence)	8	(7.9)	(168.1)	(364.2)

Consolidated Statement of Financial Position

	Notes	At 30 June 2020 £'000	At 30 June 2019 £'000	At 31 December 2019 £'000
Assets				
Non-current assets				
Intangible assets	9	557,673	583,199	579,992
Property, plant and equipment	10	839,375	744,023	820,998
Deferred tax asset		44	36	44
Derivative financial instruments	11	216	2,267	1,062
		1,397,308	1,329,525	1,402,096
Current assets				
Trade and other receivables		27,379	50,478	42,691
Contract assets		26,565	16,313	13,391
Inventory		1,166	-	1,296
Cash and cash equivalents		148,729	72,818	50,315
		203,839	139,609	107,693
Total assets		**1,601,147**	**1,469,134**	**1,509,789**
Liabilities				
Current liabilities				
Trade creditors		8,389	43,982	17,828
Other creditors		21,172	23,344	31,344
Interest bearing loans and borrowings	11	104,153	83,681	99,829
		133,714	151,007	149,001
Non-current liabilities				
Interest bearing loans and borrowings	11	556,909	1,358,716	1,444,320
Provisions		934	-	436
Derivative financial instruments	11	45,522	33,842	32,368
Deferred tax liability		95,609	85,278	86,510
		698,974	1,477,836	1,563,634
Total liabilities		**832,688**	**1,628,843**	**1,712,635**
Equity				
Called up share capital	12	5,480	220	220
Share premium account		-	82,131	82,131
Share based payment reserve		42	-	-
Merger reserve		(63,327)	(63,327)	(63,327)
Retained reserve/(deficit)		826,264	(178,733)	(221,870)
Total equity		768,459	(159,709)	(202,846)
Total equity and liabilities		**1,601,147**	**1,469,134**	**1,509,789**

Consolidated Statement of Changes in Equity

Six months ended 30 June 2020	Called up share capital	Share premium account	Share based payment reserve	Retained earnings	Merger reserve	Total equity
	£'000	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**
Attributable to equity holders of the parent:						
At 1 January 2020	**220**	**82,131**	**-**	**(221,870)**	**(63,327)**	**(202,846)**
Loss for the period and total comprehensive loss ...	-	-		(34,491)	-	(34,491)
Shares issued……………………	1,302	293,153	-	-	-	294,455
Debt for equity swap………..	3,958	707,341	-	-	-	711,299
Equity settled share awards	-	-	42	-	-	42
Capital reduction……………..	-	(1,082,625)	-	1,082,625	-	-
At 30 June 2020	**5,480**	**-**	**42**	**826,264**	**(63,327)**	**768,459**

Six months ended 30 June 2019	Called up share capital	Share premium account	Retained earnings	Merger reserve	Total equity
	£'000	**£'000**	**£'000**	**£'000**	**£'000**
Attributable to equity holders of the parent:					
At 1 January 2019	**220**	**82,131**	**(141,741)**	**(63,327)**	**(122,717)**
Loss for the period and total comprehensive loss.......................	-	-	(36,992)	-	(36,992)
At 30 June 2019…………………………	**220**	**82,131**	**(178,733)**	**(63,327)**	**(159,709)**

Year ended 31 December 2019	**Called up share capital**	**Share premium account**	**Retained earnings**	**Merger reserve**	**Total equity**
	£'000	**£'000**	**£'000**	**£'000**	**£'000**
Attributable to equity holders of the parent:					
At 1 January 2019	**220**	**82,131**	**(141,741)**	**(63,327)**	**(122,717)**
Loss for the period and total comprehensive loss........................	-	-	(80,129)	-	(80,129)
At 31 December 2019	**220**	**82,131**	**(221,870)**	**(63,327)**	**(202,846)**

Consolidated Cash Flow Statement

	Notes	Six months ended 30 June 2020 £'000	Six months ended 30 June 2019 £'000	Year ended 31 December 2019 £'000
Cash flows from operating activities				
Loss before tax...		(23,364)	(40,331)	(82,230)
Adjustments to reconcile loss before tax to net cash flows:				
Amortisation of intangible assets		22,370	20,400	42,330
Depreciation of property, plant and equipment	10	38,730	40,463	86,765
Finance income...	5	(72)	(81)	(175)
Finance expense	5	40,088	60,754	109,097
Loss on disposal of property, plant and equipment		1,048	5,141	6,901
Interest received......................................		72	81	175
Interest paid		(21,559)	(23,736)	(38,077)
Tax paid..		(4,009)	(1,966)	(4,317)
Payment to obtain a contract		(51)	(250)	(399)
Working capital adjustments:				
Decrease/ (Increase) in trade and other receivables and contract assets		4,030	(22,320)	(5,744)
Decrease in inventory..............................		130	-	154
(Decrease)/ Increase in provisions		498	-	-
(Decrease)/ Increase in trade and other payables..		(19,730)	42,633	15,465
Net cash flows from operating activities		**38,181**	**80,788**	**129,945**
Cash flows from/(used in) investing activities				
Proceeds from sale of property, plant and equipment		5,406	6,071	16,844
Purchase of a subsidiary undertaking*......		(720)	-	(6,150)
Net cash acquired with subsidiary undertaking		-	-	178
Purchase of property, plant and equipment		(63,561)	(146,001)	(274,098)
Purchase of intangible assets		(51)	(95)	(95)
Net cash flows used in investing activities		**(58,926)**	**(140,025)**	**(263,321)**
Cash flows from/(used in) financing activities				
Lease payments		(700)	(84)	(434)
Proceeds from the issue of share capital ..		294,208	-	-
Proceeds from borrowings		105,504	102,070	210,861
Repayment of borrowings		(279,853)	(41,528)	(98,333)
Net cash flows from financing activities ..		**119,159**	**60,458**	**112,094**
Net movement in cash and cash equivalents		98,414	1,221	(21,282)
Cash at beginning of period		50,315	71,597	71,597
Cash at end of period		**148,729**	**72,818**	**50,315**

*Description updated from corresponding statement in 2019 CGHL accounts to be more reflective of the transaction.

Notes to the Consolidated Financial Statements

1. Group reorganisation

On 7 February 2020, as part of a group reorganisation, all shares held in Calisen Group Holdings Limited by intermediary holding companies Evergreen Energy Limited and Evergreen Holdco S.a.r.l. were transferred to Calisen plc a newly incorporated intermediate parent entity. Following this reorganisation Calisen plc undertook an initial public offering (IPO) on the London Stock Exchange for a proportion of its share capital. A number of changes to the financing structure of the Group occurred following the IPO, further details can be found in Note 12.

The insertion of the Company on top of the existing Calisen Group Holdings Limited group does not constitute a business combination under IFRS 3 'Business combinations' and instead has been accounted for as a capital reorganisation. Merger Accounting has been used to account for this transaction. As a result of this approach, the share capital and share premium have been restated, effective from 1 January 2019, as if the current group had been in existence since that date. The comparative and current year consolidated reserves of the Group are adjusted to reflect the statutory share capital, share premium and merger reserve of Calisen plc as if it had always existed. A negative merger reserve of £63,327,000 has been recognised as at 1 January 2019 to complete the equity position as a result of the application of merger accounting.

Following the IPO, both Evergreen Holdco S.a.r.l. and Evergreen Energy Limited were placed into liquidation, the latter of which was dissolved on 7 May 2020. The trading results and net asset positions for both companies are immaterial to the Group. The Board has excluded these companies for each stated accounting period following an assessment of the liquidation status and immaterial impact on the consolidated results. The approach to exclude these companies is consistent with that of the prospectus filed at the time of the IPO.

These condensed interim financial statements are the first set of financial statements presented for the newly formed group and the prior period comparison is to that of the former Calisen Group Holdings Limited Group. Although there has been a capital reorganisation, the underlying structure of the Group is unchanged and as such the Unaudited Interim Condensed Consolidated Income Statement, Unaudited Interim Condensed Consolidated Statement of Comprehensive Income, Unaudited Interim Condensed Consolidated Statement of Financial Position, Unaudited Interim Condensed Consolidated Statement of Changes in Equity and Unaudited Cash Flow Statement have been presented on a consistent basis to the prior periods.

2. Basis of preparation

The Group's interim financial statements for the six months to 30 June 2020 (prior year to 31 December 2019) were approved by the Board of Directors on 3 August 2020 and have been prepared in accordance with IAS 34 'Interim financial reporting', as adopted by the European Union.

The results for the six months to 30 June 2020 have been reviewed by KPMG LLP and a copy of their review report appears at the end of this interim report. The interim financial statements have not been audited by the auditor and do not comprise statutory accounts within the meaning of section 434 of the Companies Act 2006. The comparative information for the half year to 30 June 2019 has not been audited and has not been reviewed.

The financial information contained in this report is condensed and does not include all of the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's Annual Report and Accounts for the year ended 31 December 2019 (being that of the Calisen Group Holdings Limited group) which have been delivered to the Registrar of Companies. The audit report for those accounts was unqualified, did not draw attention to any matters by way of emphasis without qualifying the report and did not contain a statement under 498(2) or (3) of the Companies Act 2006.

The financial statements have been prepared on the historical cost basis except for certain financial instruments and share-based payment liabilities which are measured at fair value. Where applicable, disclosures required by paragraph 16A of IAS 34 are given either in these interim financial statements or in the accompanying Interim Report.

Taxes have been measured using the Group's best estimate of the weighted average annual income tax rate expected for the full financial year' and applying that rate to actual pre-tax income for the interim period in accordance with IAS 34.30(c), B12. Because taxes are assessed on an annual basis, using this approach to determine the annual effective income tax rate and applying it to year-to-date actual earnings is consistent with the basic concept in IAS 34, that the same recognition and measurement principles apply in interim financial reports as in annual financial statements. In estimating the weighted-average annual income tax rate, the Group has reflected a blend of any progressive tax rate structure expected to be applicable to the full year's earnings, including changes in income tax rates scheduled to take effect later in the year that are enacted or substantively enacted as at the end of the interim period.

The same accounting policies and methods of computations are followed in the interim statements as in the most recent annual financial statements for the predecessor group.

2a. Going concern

Notwithstanding the loss for the six months ended 30 June 2020 of £34,491,000, the Directors consider the going concern basis of preparation for the Company to be appropriate for the following reasons. The Group has net assets of £768,459,000 as at 30 June 2020, generated net cash flows from operating activities for the period ended 30 June 2020 of £38,181,000 and had cash at bank of £148,729,000.

The Group has prepared cash flow forecasts to 31 December 2022, which indicate that, taking account of reasonably possible downsides as well as stress testing for the impact of COVID-19 which includes reduced level of revenues at both components and lower levels of new meter installations. The forecasts show that the Group will have sufficient funds, through access to cash derived from its long-term contractual revenue streams, funding from its existing facilities which include undrawn funds totalling £901,026,000 at 30 June 2020 and cash resources, to meet its liabilities as they fall due for that period. These forecasts take into the account the announced restructuring being undertaken at Lowri Beck with no further structural changes currently anticipated or included within the forecast period. Debt covenants in relation to the revolving credit facility entered into during 2020, are set at a ratio of 5.5x (Consolidated EBITDA / Total Net Debt) and 1.05x (Aggregate Net Present Value of Distributable Cashflows / Total amount outstanding under the RCF facility less any cash and cash equivalents held as investments). There are no forecast breaches, under any scenario, of these covenants at any point during the forecast period.

Subsequent to the period end, as detailed in note 13, the Group completed a refinancing, replacing older bank facilities of £1,122,000,000 with new facilities of £1,067,500,000. The new facilities include structured institutional debt with a 5-year non-amortising period and longer duration to December 2034. As a result of the refinancing on 22 July 2020, the Group had total facilities of £1,526,500,000 and undrawn funds totalling £777,000,000.

Consequently, the Directors are confident that the Group will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of issue of the condensed consolidated half-year financial statements and therefore have prepared the condensed consolidated half-year financial statements on a going concern basis.

2b. Changes to estimates

Estimated useful economic lives of meters

During the period, the Group performed a detailed review of the estimated useful economic lives ("UEL") of its smart and traditional meter portfolio.

Smart meters are depreciated over a 15 year period and the Group believe that this is still an accurate estimation of their UEL and therefore there is no change to this estimate.

Traditional meters had been depreciated over the shorter of 10 years or the end of 2021. In June 2020, BEIS announced its intention to extend the smart meter implementation programme to the end of June 2025 and installation contracts are in place to support this timeline. Given these factors, the Group has determined that the UEL of the traditional meters should be extended to the shorter of their asset life or 30 June 2025.

The change is effective from 1 January 2020 and the financial impact of this extension is a reduction in the depreciation charge in the period to 30 June 2020 of £8,578,000. The change in the UEL of traditional meters is a change in estimate under IAS 8 and as the change has been applied prospectively there is no impact on prior year comparatives.

2c. Adoption of standards

IFRS 2 Share-based payments

The Group adopted IFRS 2 on 25 June 2020 following the issue of equity settled share award schemes to certain employees, details of which are set out in note 12. The fair value of the equity settled share awards is measured at the date of grant and expensed as a straight line over the vesting period based on how many awards are expected to vest. The Group uses simulation models to estimate the fair value of the schemes based on the various measures of performance.

IAS 20 Accounting for Government Grants and Disclosure of Government Assistance

During the period, employees at Lowri Beck were placed on furlough under the Coronavirus Jobs Retention Scheme. Furlough income of £5,800,000 in relation to a maximum of 1,420 employees has been recognised in the six months ended 30 June 2020 and as such the Group has adopted IAS 20 in accounting for this government income. The grant has been recognised as income and matched with the associated payroll costs over the same period. The corresponding asset is shown within Trade and other receivables on the balance sheet, to the extent that claimed amounts remain outstanding at 30 June 2020.

Underwriting commissions

In accordance with IAS 32, underwriting commissions relating directly to the primary raise from the issuance of shares to new shareholders are deducted against share premium on the basis that they are directly incremental costs that would not have been incurred had the Group not raised equity during the period. During the period to 30 June 2020, £6,000,000 of underwriting expenses were deducted from share premium.

3 Segmental reporting

The Directors consider there to be two operating and reportable segments, as follows:

- Calvin Capital, which procures, owns and manages meter assets on behalf of its customers, who pay MPCs on a long-term contracted basis; and
- Lowri Beck, which provides meter installation, reading and maintenance services. Lowri Beck also owns and manages meter a portfolio of traditional meter assets on behalf of its customers, who pay MPCs on a contracted basis.

The segments are largely organised and managed separately according to the nature of products and services provided.

The Chief Executive Officer is the Chief Operating Decision Maker and receives monthly financial information at this level and uses this information to monitor the performance of the business, allocate resources and make operational decisions. Therefore, the two segments above are defined as the Group's operating segments and no operating segments have been aggregated to form the above reportable segments.

The performance of each operating segment is primarily assessed on operating profit and EBITDA. Other APMs are also utilised to assess the segmental performance such Adjusted and Underlying EBITDA and FFO. Further details on these APMs are detailed within the Financial Highlights and Financial Review.

The following segmental information is presented in respect of the Group's reportable segments together with other elements of revenue, income and expense:

	Calvin Capital £'000	Lowri Beck £'000	Total £'000
Six months ended 30 June 2020			
Segment Revenue			
MAP Services			
Traditional meter revenue	30,506	3,108	33,614
Smart meter revenue	65,640	-	65,640
Non-technical services	-	9,558	9,558
Technical services	-	7,056	7,056
Other income	1,710	252	1,962
Total revenue	97,856	19,974	117,830
Inter-segment revenue	-	(469)	(469)
Total revenue from external customers	**97,856**	**19,505**	**117,361**
Cost of sales:			
Direct costs	-	(17,933)	(17,933)
Depreciation of metering equipment held within property, plant and equipment	(37,441)	(311)	(37,752)
Loss on disposal of fixed assets	(1,084)	36	(1,048)
Segment gross profit/(loss)	**59,331**	**1,297**	**60,628**

	Calvin Capital	Lowri Beck	Total
	£'000	£'000	£'000
Amortisation of intangible assets	(21,663)	(707)	(22,370)
Other expense	(5,080)	(3,500)	(8,580)
Admin expenses:			
Overheads	(9,079)	(3,310)	(12,389)
Depreciation of non-metering equipment held within property, plant and equipment	(199)	(779)	(978)
Net foreign exchange gain	341	-	341
Segment operating profit/(loss)	**23,651**	**(6,999)**	**16,652**
Finance income/(expense)	(39,183)	(833)	(40,016)
Loss before tax	**(15,532)**	**(7,832)**	**(23,364)**
Tax charge	(11,127)	-	(11,127)
Loss for the period	**(26,659)**	**(7,832)**	**(34,491)**
Capital expenditure	**63,250**	**311**	**63,561**

Inter-segment revenue relates to installation services provided by Lowri Beck to Calvin Capital.
Capital expenditure consists of additions of property, plant and equipment and other fixed assets.

No comparative information is presented for the period ended 30 June 2019 however at that time Calvin Capital was the only operating segment and this is therefore presented in its entirety in the consolidated income statement.

Geographical markets

Revenue from external customers by geographical markets is disclosed in note 4. Set out below is the breakdown of non-current operating assets by geographic market.

	At 30 June 2020	At 30 June 2019	At 31 December 2019
	£'000	£'000	£'000
Geographical markets			
UK	1,397,048	1,327,222	1,400,990
Total	1,397,048	1,327,222	1,400,990

Non-current assets for this purpose consist of property, plant and equipment and intangible assets.

4. Revenue from contracts with customers

Set out below is the disaggregation of the Group's revenue from contracts with customers:

	Six months ended 30 June 2020	Six months ended 30 June 2019	Year ended 31 December 2019
	£'000	£'000	£'000
Revenue from contracts with customers			
MAP Services	99,255	90,465	188,395
Non-technical services	9,558	-	9,622
Technical services	6,586	-	6,751
Other income	1,962	2,087	3,989
Total revenue	117,361	92,552	208,757
Geographical markets			
UK	117,361	92,552	208,757
Total revenue	117,361	92,552	208,757
Timing of revenue recognition			
Transferred over time	101,217	92,552	192,384
Transferred at a point in time	16,144	-	16,373
Total revenue	117,361	92,552	208,757

MAP services relate to MPC income generated from metering equipment services. Revenues derived from technical services relate to the installation of metering equipment by Lowri Beck. Non-technical revenues relate to all other services provided by Lowri Beck. Other income relates to revenues not previously defined.

On 27 June 2019, the Group entered into a contract modification with a major customer. As a result of this contract modification, non-recurring income of £4,726,000, of which £3,576,000 was calculated by reference to previous financial years, arose in the year ended 31 December 2019 and six-month period ended 30 June 2019.

5. Finance income/(expense)

	Six months ended 30 June 2020	Six months ended 30 June 2019	Year ended 31 December 2019
	£'000	£'000	£'000
Bank interest receivable	72	81	175
Senior debt commitment fees	(2,184)	(1,932)	(3,746)
Agency and technical adviser fees directly related to banking facility monitoring	(256)	(136)	(363)
Fair value movement on derivative financial instruments	(14,000)	(14,969)	(14,699)
Derivative breakage fees	(597)	(840)	(840)
Amortisation of debt issue costs	(3,639)	(1,559)	(3,862)
Letter of credit fees and other charges	(2,500)	(4,973)	(10,002)
Interest payable on bank loans	(10,176)	(7,746)	(17,320)
Interest payable on equity bridge loans	(683)	(2,339)	(4,855)
Interest payable on shareholder loans	(5,928)	(26,210)	(53,191)
Unwinding of discount on lease liabilities	(125)	(50)	(219)
Total finance cost	(40,016)	(60,673)	(108,922)

6. Other operating expenses

	Six months ended 30 June 2020	Six months ended 30 June 2019	Year ended 31 December 2019
	£'000	£'000	£'000
IPO related costs and acquisition expenses	(5,080)	-	(11,309)
Restructuring costs	(3,500)	-	-
	(8,580)	-	(11,309)

IPO related costs were incurred as part of the admission to the London Stock Exchange in February 2020. The acquisition expenses incurred relate to the purchase of Lowri Beck during the year ended 31 December 2019.

The restructuring costs relate to the restructuring plan announced in relation to Lowri Beck. Further details can be found in the Financial Review.

7. Taxation

The total effective tax rate for the current period is 46%, which represents the best estimate of the weighted average annual income tax rate for the full financial year. This compares to the effective rate credits of 3% and 8% respectively for the year ended 31 December 2019 and six months ended 30 June 2019. The tax credits amounted to £2,101,000 and £3,339,000 for the year ended 31 December 2019 and 30 June 2019 respectively.

On 11 March 2020, the Government announced the cancellation of the proposed reduction in corporation tax to 17%, which was substantively enacted on 17 March, consequently the Group was required to remeasure the deferred taxation assets and liabilities held on the Statement of the Financial Position at the new rate. Additionally, as detailed in note 2b, the Group extended the UEL of its traditional meter portfolio to 30 June 2025 from 31 December 2021 resulting in a reduction in the depreciation charge in the period of £8,578,000. The impact of these two items increased the deferred taxation liability in the period by £10,873,000 and was the principal reason for the effective tax rate of 46%.

8. Earnings per share

	Six months ended 30 June 2020	Six months ended 30 June 2019	Year ended 31 December 2019
	£'000	£'000	£'000
Loss attributable to equity shareholders of the company………………………………………………………..	(34,491)	(36,992)	(80,129)
Basic earnings per share (pence)	(7.9)	(168.1)	(364.2)

Basic earnings per share is calculated by dividing the profit attributable to shareholders for the period by the weighted average number of shares in issue for that period.

As set out in note 1, a reorganisation of the group in February has resulted in a significant change in the capital structure of the company. This is reflected in the weighted average numbers of shares used in the basic earnings per share calculation which are as follows:

	Six months ended 30 June 2020	Six months ended 30 June 2019	Year ended 31 December 2019
Weighted average number of shares	438,160,770	22,000,000	22,000,000

In addition, as detailed in note 12, there are outstanding conditional share awards made to Directors and certain employees. These share awards are not yet dilutive although could potentially dilute earnings per share in the future.

9. Intangible assets

	Goodwill	Brands	Customer contracts	Software	Costs to obtain contracts with customers	Development costs	Total
Cost or valuation	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**
At 1 January 2019.................	78,238	14,600	586,022	160	2,389	-	681,409
Additions..........	-	-	-	95	250	-	345
Disposals..........	-	-	-	-	-	-	-
At 30 June 2019	78,238	14,600	586,022	255	2,639	-	681,754
Additions..........	-	-	-	-	149	-	149
Disposals..........	-	-	-	(113)	-	-	(113)
Acquisitions through business combinations....	1,154	1,290	9,614	251	-	6,378	18,687
At 31 December 2019……	79,392	15,890	595,636	393	2,788	6,378	700,477
Additions..........	-	-	-	-	51	-	51
Disposals..........	-	-	-	-	-	-	-
At 30 June 2020	79,392	15,890	595,636	393	2,839	6,378	700,528

	Goodwill	Brands	Customer contracts	Software	Costs to obtain contracts with customers	Development costs	Total
Accumulated Amortisation	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**
At 1 January 2019	-	2,798	74,882	106	369	-	78,155
Amortisation	-	730	19,534	21	115	-	20,400
Disposals	-	-	-	-	-	-	-
At 30 June 2019	-	3,528	94,416	127	484	-	98,555
Amortisation.....	-	778	20,358	45	99	650	21,930
Disposals	-	-	-	-	-	-	-
At 31 December 2019………………	-	4,306	114,774	172	583	650	120,485
Amortisation.....	-	795	20,633	34	235	673	22,370
Disposals	-	-	-	-	-	-	-
At 30 June 2020	-	5,101	135,407	206	818	1,323	142,855
Net Book Value							
At 30 June 2019	78,238	11,072	491,606	128	2,155	-	583,199
At 31 December 2019………………	79,392	11,584	480,862	221	2,205	5,728	579,992
At 30 June 2020	79,392	10,789	460,229	187	2,021	5,055	557,673

In line with IAS 36, the Group tests goodwill annually for impairment or more frequently if there are indications that goodwill might be impaired. Given the restructuring exercise being undertaken at Lowri Beck, the Group has performed an additional impairment test. Goodwill is tested for impairment by comparing the carrying amount of the cash-generating unit ("CGU"), including goodwill, with the recoverable amount. The recoverable amount is determined based on value in use calculations which require assumptions. The calculations use cash flow projections based on financial budgets approved by the Board covering a four-year period. These budgets and forecasts take into account historical performance and knowledge of the current market, together with the Group's views on the future achievable growth and the impact of committed cash flows of Lowri Beck and are based on the forecasts discussed in the interim management report that Lowri Beck will achieve breakeven at the EBITDA level in the year ended 31 December 2021.

The key assumptions used in the value in use calculations were as follows:

- Perpetual growth rate - The terminal cash flows were extrapolated in perpetuity using a growth rate of 2% in the assessment for the period ended 30 June 2020. This aligns with the rate of inflation and is not considered to be higher than the average long-term industry growth rate.

- Discount rate - The discount rate was based on the weighted average cost of capital which would be anticipated for a market participant investing in the Group. This rate reflected the time value of money, the company's risk profile and the impact of the current economic climate. The pre-tax discount rate for the period ended 30 June 2020 was 8.93%.

The Group have concluded that there were no reasonably possible changes in any key assumptions that would cause the value in use calculation to change so significantly so as to eliminate the headroom which based on the assumptions above, was £19,921,000 as at 30 June 2020. The assessment as at 30 June 2020 indicates that the recoverable amount of the Lowri Beck CGU is in excess of the carrying amount and as a result no impairment is required.

10. Property, plant and equipment

	Equipment	Other fixed assets	Total
	£'000	**£'000**	**£'000**
Cost or valuation			
At 1 January 2019	718,888	1,540	720,428
Additions	144,186	1,815	146,001
Disposals	(27,611)	-	(27,611)
At 30 June 2019	835,463	3,355	838,818
Additions	129,193	561	129,754
Disposals	(28,087)	(205)	(28,292)
Acquisitions through business combinations	2,614	3,333	5,947
At 31 December 2019	939,183	7,044	946,227
Additions	62,650	911	63,561
Disposals	(18,291)	(101)	(18,392)
At 30 June 2020	**983,542**	**7,854**	**991,396**

	Equipment	Other fixed assets	Total
Accumulated depreciation			
At 1 January 2019	70,061	671	70,732
Depreciation for period	40,374	88	40,462
Disposals	(16,399)	-	(16,399)
At 30 June 2019	94,036	759	94,795
Depreciation for period	45,523	780	46,303
Disposals	(15,745)	(124)	(15,869)
At 31 December 2019	123,814	1,415	125,229
Depreciation for period	37,752	978	38,730
Disposals	(11,837)	(101)	(11,938)
At 30 June 2020	**149,729**	**2,292**	**152,021**

	Equipment	Other fixed assets	Total
	£'000	£'000	£'000
Net book value			
At 30 June 2019……………………………………………………………	**741,427**	**2,596**	**744,023**
At 31 December 2019………………………………………………	**815,369**	**5,629**	**820,998**
At 30 June 2020……………………………………………………………	**833,813**	**5,562**	**839,375**

Gains and losses on disposal of equipment are included in cost of sales net of compensation income received.

Within other fixed assets are right-of-use assets with a carrying amount of £3,967,000 at 30 June 2020 (31 December 2019: £4,593,000 and 30 June 2019: £2,189,000).

11. Derivative Instruments and Borrowings

11.1 Derivatives not designated as hedging instruments

	At 30 June 2020	At 30 June 2019	At 31 December 2019
	£'000	**£'000**	**£'000**
Interest rate swaps…………………………………………………	216	1,631	963
Interest rate caps……………………………………………………	-	636	99
Financial assets at fair value through the profit or loss	216	2,267	1,062
Interest rate swaps…………………………………………………	(45,522)	(33,842)	(32,368)
Financial liabilities at fair value through the profit or loss	(45,522)	(33,842)	(32,368)

Derivatives not designated as hedging instruments reflect the positive or negative change in fair value of those interest rate swaps and caps that are not designated in hedge relationships, but are, nevertheless, intended to reduce interest rate risk on debt instruments. Movements in the fair value are recorded in the Consolidated income statement.

11.2 Interest bearing loans and borrowings

	At 30 June 2020	At 30 June 2019	At 31 December 2019
	£'000	**£'000**	**£'000**
Current interest-bearing loans and borrowings			
Senior debt facilities	103,072	84,107	94,016
Liability to factoring company	-	-	5,156
Lease liabilities	1,081	-	1,264
Equity bridge loan.................................	-	(426)	(607)
Total current interest-bearing loans and borrowings	104,153	83,681	99,829

	At 30 June 2020	At 30 June 2019	At 31 December 2019
	£'000	£'000	£'000
Non-current interest-bearing loans and borrowings			
Shareholder loan notes including accrued interest.	-	678,486	705,490
Senior term loan…………………………………………………..	10,000	-	10,000
Lease liabilities……………………………………………………..	3,369	-	3,778
Senior debt facilities…………………………………………..	543,540	469,033	501,344
Equity bridge loan………………………………………………..	-	211,197	223,708
Total non-current interest-bearing loans and borrowings……………………………………………….	**556,909**	**1,358,716**	**1,444,320**
Total interest-bearing loans and borrowings……..	**661,062**	**1,442,397**	**1,544,149**

Shareholder loan notes

At 31 December 2019, the unsecured shareholder loan notes were listed on the International Stock Exchange and bore a fixed rate of interest of 8.123%. The maturity date of the loan notes was 30 January 2027, therefore all due after five years. In February 2020 following the group reorganisation, these loan notes and the accrued interest thereon were capitalised resulting in no outstanding amounts at 30 June 2020.

Senior debt facilities

At 30 June 2020, the Group had £646,612,000 senior debt facilities which are repayable on an agreed or forecast repayment profile of quarterly instalments (31 December 2019: £595,360,000 and 30 June 2019: £553,140,000). In February 2020, the group agreed a new revolving credit facility amounting to £240,000,000. As at 30 June 2020, the group had drawn down funds of £48,000,000 which is presented within non-current senior debt facilities. The facility is repayable by 28 February 2025.

Liability to factoring company

At 31 December 2019, an invoice discounting factoring arrangement was in place in respect of Lowri Beck's trade receivables. This arrangement meant that whilst the Group had transferred receivables to the factoring company, the credit risk remained with the Group. During the period, this facility has been settled and closed.

Equity bridge loan

The Group had equity bridge loans outstanding at 31 December 2019 totalling £223,101,000 inclusive of debt issue costs. In February 2020 following the IPO and receipt of the primary share issue proceeds, the equity bridge loans facilities were repaid in full.

Fair value of borrowings

The Group measures certain financial instruments at fair value at each balance sheet date. The Group also uses fair values when accounting for assets acquired and liabilities assumed in business combinations and as a part of its impairment testing process for non-current assets.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability; or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities;
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; or
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the consolidated financial statements at fair value on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Group determines the policies and procedures for both recurring fair value measurement, such as the valuation of derivatives, and for non-recurring measurement. At each reporting date, the Group analyses the movements in the values of assets and liabilities which are required to be remeasured or re-assessed as per the Group's accounting policies. For this analysis, the Group verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents. The Group compares the change in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable. For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy, as explained above.

The fair value of the senior debt facilities subject to a fixed interest rate compared to their carrying amount is disclosed below:

	At 30 June 2020	**At 30 June 2019**	**At 31 December 2019**
	£'000	**£'000**	**£'000**
Fair value	41,312	40,808	41,626
Carrying amount	40,000	40,000	40,000

Repayments of principal amounts against the senior debt facility of £40,000,000 commences on 31 March 2024.

12. Issued capital and reserves

	At 30 June 2020	Restated at 30 June 2019	Restated at 31 December 2019
Authorised shares			
Number of ordinary shares	547,980,973	22,000,000	22,000,000
Value of each shares (pence)………	1	1	1
Value of ordinary shares (£)……….	5,479,809	220,000	220,000
Ordinary shares issued and fully paid			
At start of period……………………….…	22,000,000	22,000,000	22,000,000
Shares issued................................	130,168,749	-	-
Debt for equity swap	395,812,224	-	-
As at end of the period	547,980,973	22,000,000	22,000,000

As detailed in note 1, the Group completed a capital reorganisation during February 2020. The issued share capital as at 30 June 2020 represents the authorised share capital of Calisen plc. The authorised share capital as at 30 June 2019 and 31 December 2019 have been restated to reflect the reorganisation as a result of the application of merger accounting.

Share awards

The Group granted conditional share awards over 1,290,011 shares through a Performance Share Plan with a grant date of 25 June 2020 with awards due to vest on 25 June 2023. The performance conditions attached to these awards relate to:

- 50% of award is subject to a FFO performance target
- 50% of award is based on the relative Total Shareholder Return (TSR) against the FTSE 250 (excluding investment trusts)

The Group also granted conditional awards over 113,417 shares with a grant date of 25 June 2020 through a Restricted Share Plan, with 50% of shares due to vest on 25 June 2022 and 50% due to vest on 25 June 2023.

The estimated fair value charge in the period to 30 June 2020 is £42,295.

The shares awarded through both plans are held in an Employee Benefit Trust held by Estera Trust (Jersey) Limited.

13. Post balance sheet events

On 22 July 2020, the Group completed a refinancing, replacing two senior debt facilities of £400,000,000 and £730,000,000 which were maturing in October 2022 and September 2029 respectively, with new facilities totalling £1,067,500,000. The new financing arrangement is composed of the following facilities:

- A fixed rate institutional tranche of £290 million which amortises from June 2025 and is to be repaid by December 2034;
- An amortising bank loan of £192.5 million to be repaid by December 2023;

- An amortising capital expenditure facility of £115 million to be repaid by December 2027;
- A revolving credit facility ("Platform RCF") of £400 million due June 2025; and
- A standby facility of £70 million due June 2025.

As part of the re-financing the group replaced some of its existing interest rate swaps resulting in a one-off cash cost of approximately £46.3 million which is funded from the new facilities. This cost will be off-set by the benefits of the lower interest rates achieved across the new funding facilities over their duration. The Group has also entered into new interest rate swaptions incurring an upfront premium of £4.8 million. The existing swaps are carried on the balance sheet at fair value and the mark-to-market liability at 30 June 2020 was £44.3 million (31 December 2019: £30.3 million and 30 June 2019: £31.8m) which was included within the overall £45.5m balance (31 December 2019: £32.4 million and 30 June 2019: £33.8m) in the Consolidated Statement of Financial Position. The impact recognised in the income statement in the second half of 2020 will therefore be limited to the movement in fair value between 30 June 2020 and completion of the refinancing, when the fair value of the swap was settled and amounts to £2.0m.

As a result of the refinancing, capitalised debt issue costs relating to the existing refinanced facilities of £14.5 million will be expensed and expected costs of approximately £14.0 million relating to the establishment of the new funding platform will be capitalised and amortised over time.

Directors' responsibility statement

The Directors confirm that these condensed consolidated half-year financial statements have been prepared in accordance with International Accounting Standard 34 '*Interim Financial Reporting*', as adopted by the European Union and that the interim management report includes a fair review of the information required by DTR 4.2.7 and DTR 4.2.8, namely:

- an indication of important events that have occurred during the first six months and their impact on the condensed set of financial statements, and a description of the principal risks and uncertainties for the remaining six months of the financial year; and
- material related party transactions in the first six months and any material changes in the related party transactions described in the last annual report.

As announced on 31 July 2020, James (Jim) Macdonald and Oleg Shamovsky each retired from the Board and Lisa Harrington and Alberto Signori were each appointed to the Board, all with effect from 1 August 2020.

All other Directors of Calisen plc are as listed in the Group's Annual Report and Accounts for the year ended 31 December 2019.

A list of current Directors is maintained on the Company's website at www.calisen.com.

By order of the Board,

Bert Pijls	Sean Latus
CEO	CFO

3 August 2020

INDEPENDENT AUDITOR'S REVIEW REPORT TO CALISEN PLC

Conclusion

We have been engaged by the Company to review the condensed set of financial statements in the half-yearly financial report for the six months ended 30 June 2020 which comprises the condensed income statement and statement of comprehensive income, the condensed consolidated statement of financial position, the condensed consolidated statement of changes in equity, the condensed consolidated cashflow statement and the related explanatory notes.

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the half-yearly financial report for the six months ended 30 June 2020 is not prepared, in all material respects, in accordance with IAS 34 *Interim Financial Reporting* as adopted by the EU and the Disclosure Guidance and Transparency Rules (DTRs) of the UK's Financial Conduct Authority (FCA).

Scope of review

We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410 *Review of Interim Financial Information Performed by the Independent Auditor of the Entity* issued by the Auditing Practices Board for use in the UK. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. We read the other information contained in the half-yearly financial report and consider whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements.

A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

The company has not previously produced any half-yearly reports. As a consequence, the review procedures set out above have not been performed in respect of the comparative period for the six months ended 30 June 2019.

Directors' responsibilities

The half-yearly financial report is the responsibility of, and has been approved by, the Directors. The Directors are responsible for preparing the half-yearly financial report in accordance with the DTR of the UK FCA.

The annual financial statements of the group are prepared in accordance with International Financial Reporting Standards as adopted by the EU. The Directors are responsible for preparing the condensed set of financial statements included in the half-yearly financial report in accordance with IAS 34 as adopted by the EU.

Our responsibility

Our responsibility is to express to the Company a conclusion on the condensed set of financial statements in the half-yearly financial report based on our review.

The purpose of our review work and to whom we owe our responsibilities

This report is made solely to the company in accordance with the terms of our engagement to assist the company in meeting the requirements of the DTR of the UK FCA. Our review has been undertaken so that we might state to the company those matters we are required to state to it in this report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company for our review work, for this report, or for the conclusions we have reached.

Stuart Burdass
for and on behalf of KPMG LLP
Chartered Accountants
1 St. Peter's Square
Manchester
M2 3AE
3 August 2020

ALTERNATIVE PERFORMANCE MEASURES

These half-year results include financial measures that are not defined or recognised under IFRS or UK GAAP, all of which Calisen considers to be alternative performance measures (APMs). These are reconciled to the statutory results in the Financial Review section.

The APMs are used by the Board and management to analyse business and financial performance, track the Group's progress and help develop long-term strategic plans. The APMs provide additional information to investors and other external stakeholders to enhance their understanding of Calisen's results of operations as supplemental measures of performance and liquidity.

Descriptions of APMs used in these half-year accounts, including their basis of calculation, are set out below:

Adjusted EBITDA	Profit/(loss) for the period adjusted for taxation, finance income/(expenses), depreciation, amortisation, profit/(loss) on disposal of non-current assets and other expenses. See page 12 for reconciliation of Adjusted EBITDA to statutory loss for the period;
Underlying EBITDA	Adjusted EBITDA less compensation income. Compensation income is received from relevant contractual arrangements where meters are prematurely removed, and, as a consequence, reflects income that would have otherwise been earned in future periods. Given the limited timeframe of the SMIP as currently described in legislation, the Directors deem compensation income to be a line item that may not consistently be significant in the future. Because compensation income arises as a result of the removal of traditional meters in order to replace them with smart meters, it is expected that compensation income will decrease over time as the number of traditional meters decreases. See page 12 for reconciliation of Underlying EBITDA to statutory loss for the period;
Underlying EBITDA Margin	Underlying EBITDA as a percentage of revenue. See page 12 for calculation;
Underlying EBITDA Interest Cover	Underlying EBITDA divided by net interest expense. See page 12 for calculation;
FFO	FFO is defined as Underlying EBITDA less relevant finance costs, taxation and adjusted net working capital items. Relevant finance costs exclude fair-value movement on derivatives (as this is a non-cash item), shareholder loan interest and charges relating to letter of credit facilities (on the basis that they no longer form part of Calisen's capital structure) and interest rate swap break costs. Adjusted net working capital items include change in trade and other receivables and contract assets and change in trade and other payables, but exclude any movements in payables where the creditor relates to capital expenditure, accrued other expenses and any items to the extent they relate to non-trading items such as compensation debtors or capital expenditure creditors, including related VAT balances. FFO also does not include compensation income. Capital expenditure creditors are excluded to the extent that they represent new meter installation costs;
Cash conversion	FFO as a percentage of Underlying EBITDA. See page 13 for calculation;
Net debt	The sum of senior debt and equity bridge loans, less cash. Therefore, Net Debt includes bank borrowings and equity bridge loans, net of cash and excludes trade payables and debt issue costs. See page 15 for calculation;
Adjusted net debt	Net debt less shareholder loans. See page 15 for calculation; and
Cost of debt	The average balance of Group debt outstanding (excluding shareholder loans and EBLs) divided by the corresponding total interest expense (including the cost of hedging) for a given period. Total interest expense includes senior debt commitment fees and interest payable on bank loans.

DEFINITIONS AND ABBREVIATIONS

The following definitions and abbreviations apply throughout this report unless the context otherwise requires:

APMs (or "Alternative Performance Measures")	means alternative performance measures, being a financial measure not defined or recognised under IFRS;
ARPM	means average revenue per meter;
Auditor	means KPMG LLP;
BEIS	means the Department for Business, Energy and Industrial Strategy;
Board	means the board of directors of the Company from time to time;
Brexit	means the UK's exit from the EU;
Calisen	means Calisen plc;
Calvin Capital	means Calvin Capital Limited and its subsidiaries;
CEO	means chief executive officer;
CFO	means chief financial officer;
CGU	means cash-generating unit;
Company	means Calisen plc;
Directors	means the directors of the Company and "Director" means any one of them;
DTRs	means the Disclosure and Transparency Rules of the FCA;
EBL	means equity bridge loans;
EBITDA	means Earnings Before Interest, Taxes, Depreciation and Amortisation;
Executive Directors	means the executive Directors, being the CEO and the CFO;
EU	means the European Union;
EV	means electric vehicle;
FCA	means the Financial Conduct Authority of the UK;
FFO	means Funds from Operations;
Group	means the Company and its subsidiaries (as that term is defined in section 1159 of the Companies Act 2006);
IFRS	means International Financial Reporting Standards;
IPO	means Calisen's initial public offering in February 2020;
KPI	means key performance indicator;
KPMG	means KPMG LLP;
London Stock Exchange	means the London Stock Exchange plc;
Lowri Beck	means Lowri Beck Holdings Limited, or the group consisting of Lowri Beck Holdings Limited and its affiliates, parents or subsidiaries, as applicable;
MAP	means meter asset provision or meter asset provider (as the context requires);
MPC	means Meter Provision Charge;
RCF	means revolving credit facility;
SMETS2	means the second generation of Smart Metering Equipment Technical Specification;
SMIP	means Smart Meter Implementation Programme;
UEL	means useful economic lives;
UK GAAP	means Generally Accepted Accounting Practice in the UK;
UK	means the United Kingdom of Great Britain and Northern Ireland; and
VAT	means value added tax.

OTHER INFORMATION

This announcement has been determined to include inside information.

Forward looking statements

This announcement includes forward-looking statements. These forward-looking statements involve known and unknown risks and uncertainties, many of which are beyond the Group's control and all of which are based on the Directors' current beliefs and expectations about future events. Forward-looking statements are sometimes identified by the use of forward-looking terminology such as "guidance", "believe", "expects", "may", "will", "could", "should", "shall", "risk", "intends", "estimates", "aims", "plans", "predicts", "continues", "assumes", "positioned", "targets" or "anticipates" or the negative thereof, other variations thereon or comparable terminology. These forward-looking statements include all matters that are not historical facts and include statements regarding the intentions, beliefs or current expectations of the Directors or the Group concerning, among other things, the results of operations, financial condition, prospects, growth, strategies, and dividend policy of the Group and the industry in which it operates. No assurance can be given that such future results will be achieved; actual events or results may differ materially as a result of risks and uncertainties facing the Group. Such risks and uncertainties could cause actual results to vary materially from the future results indicated, expressed, or implied in such forward-looking statements. Such forward-looking statements contained in this announcement speak only as of the date of this announcement.

Presentation and Q&A

An audio presentation of the 2020 half-year results by the CEO and CFO along with presentation slides will be available on the company's website following the publication of these results:

https://www.calisen.com

Additionally, management will hold a conference call to answer questions from analysts and investors at 11am UK / 6am EST on Tuesday 4 August 2020:

Join via Web link: https://www.investis-live.com/calisen/5f193e1c8ade181000dfec03/othf

or join via conference call:

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Issued by Calisen plc.
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