



19 June 2017

**Flowgroup plc  
("Flow" or the "Company")**

**Update on Fundraising  
Focus on accelerating Flow Energy growth**

Flowgroup plc (AIM: FLOW), which provides residential gas and electricity supply and other energy services to over 250,000 customer fuel accounts, announces the successful re-capitalisation of the Company and provides the following shareholder update.

**Fundraising completed**

On June 14, 2017 the Company completed a financing which raised, net of expenses, £25.34 million.

The gross fundraising consisted of a £9.50 million Placing, £0.63 million from the Primary Bid Offer, £0.89 million from the Open Offer, and £15.50 million convertible unsecured loan notes.

The Company has 1,423,583,793 ordinary shares of 0.1p each in issue and admitted to trading.

**Focus on accelerating Flow Energy growth**

The Directors' primary focus is now on continuing to develop and grow Flow Energy, the Group's residential gas and electricity supply business. The proceeds from the recent fundraising will enable the Group to pay off existing liabilities, focus on accelerated growth in Flow Energy, and build a sustainable and profitable energy business. The Company's goal is to grow Flow Energy into a leading mid-tier energy supplier from its current base of over 250,000 customer fuel accounts.

**Restructuring Initiated**

The restructuring and rightsizing of Flow Products has commenced necessitating significant cost cutting including a consultation process with relevant employees. The board has budgeted a small but defined cash allocation to support this business short term and is undertaking a strategic review to ensure it ceases to be an ongoing cash drain on the energy supply business which is now the main focus of the group. It is the Board's intention to maximise the value of Flow Products for the benefit of all stakeholders. The Company will update shareholders as progress is made.

**Key Performance Indicators**

Whilst customer growth is a key target for the Company, the Directors intend for that growth to be managed in a way that delivers long term profitability and shareholder value. To this end the Company will update shareholders regularly on customer numbers and certain key performance indicators.

**Tony Stiff, Group Chief Executive Officer of Flowgroup plc, commented:**

*"Flow Energy is well placed to deliver significant revenue and customer growth as we build upon the firm foundation of our substantial retail platform. The newly simplified business structure and re-capitalisation set the stage for management to intensely focus on our core energy business where we believe high returns on invested capital are achievable."*

*"We are committed to growing Flow Energy and building shareholder value. We look forward to updating shareholders on our progress."*

**Enquiries:**

**Flowgroup plc**

Tony Stiff, Group Chief Executive Officer  
Nigel Canham, Chief Financial Officer

[www.flowgroup.uk.com](http://www.flowgroup.uk.com)

Tel: +44 (0)20 3137 4525

**Cenkos Securities plc** (NOMAD and Broker)  
Stephen Keys/Mark Connelly/Callum Davidson  
(Corporate Finance)  
Julian Morse (Sales)

Tel: +44 (0)20 7397 8900

**Walbrook PR Ltd** (Media Relations)  
Paul McManus  
Nick Rome

Tel: +44 (0)20 7933 8780 or [flowgroup@walbrookpr.com](mailto:flowgroup@walbrookpr.com)

Mob: +44 (0)7980 541 893

Mob: +44 (0)7748 325 236