

Yü Group PLC

(the "Group" or "Company")

AGM Statement

Yü Group PLC (AIM; YU.), the independent supplier of gas, electricity and water to the UK business sector, today provides the following update ahead of its AGM which is being held at the head office of the Group, CPK House, 2 Horizon Place, Nottingham Business Park, Mellors Way, Nottingham, NG8 6PY today at 11.30 a.m. Prior to the Annual General Meeting the Chairman, Mr Robin Paynter Bryant, makes the following statement:

"At the start of the year Yü Group was in an excellent position and poised to implement very ambitious growth plans. Our strengthened Board, key additions to our operational management team to achieve best in class systems and processes were, and remain, in place to ensure long term profitable growth.

Covid-19 has, of course, had a very direct impact on all businesses, including our segmentally varied customers, across the UK. Our planned rates of accelerated organic growth have been adjusted to reflect the current, temporary, situation. The skill, maturity and speed with which our industry-seasoned and professional senior management team has modelled, stress-tested and put in place effective mitigative action plans has ensured that we are on the front-foot in efficiently monitoring and managing the risk elements posed to the business.

Our balance sheet remains strong with £13.0m net cash at the end of April, plus a further £4.8m in prepaid cash collateral. The cash position has increased by £10.6m from 31 December 2019, supported by close control over working capital and the structured commodity hedging facility with SmartestEnergy (Marubeni Group) which we announced in December 2019 and which frees up cash to support our future growth. We are also working closely with our customers and providing practical advice and support when needed.

Customers' energy usage has been far lower than the previous pre COVID forecast for April 2020 as a result of the lockdown, with a fall in demand of approximately 35% which has reduced revenues and gross margin accordingly.

Our cash collection performance for the four months ended 30 April 2020 has continued the positive trend from FY 2019, despite the issues faced. Cash collected is 98% of the value of invoices raised, generating only a relatively modest increase in our customer receivables balance which is aligned to normal operating parameters. Despite this positive performance to date, the Board and Executive Management Team will continue to remain focused on the potential for increase of customer receivables, and bad debt and expected credit losses, as the Covid-19 pandemic continues to impact the UK economy. The Board looks to ensure an appropriate balance between supporting customers in these difficult times with the protection of the Group's own balance sheet.

The Group has taken the difficult decision to furlough some colleagues during these testing times, has suspended certain discretionary operational expenses, and deferred payment of £1.1m (at 30 April 2020) of VAT and PAYE liabilities by utilising HMRC's Covid-19 payment relief schemes.

The seamless and speedy deployment of our business continuity plan has ensured that our outstanding customer service levels have been maintained. Our Trustpilot ratings remain one of the best in the industry at 4.5 stars and we have maintained our three-ring pick up policy.

We continue to see the results from the work done in 2019 to redesign our sales organisation, and the introduction of new systems and processes to achieve higher margin contracts with lower risk. We continue to add to our strong forward contract book, with Average Monthly Bookings of £5.7m in the four months to 30 April 2020 (H1 2019: £3.2m; H2 2019: £5.3m) despite the impact of Covid-19 which temporarily reduced the level of enquires in the early stages of lockdown. We have launched new products specifically designed to support businesses through these difficult times which are performing well. Whilst more emphasis is being placed on customer segmentation risks due to Covid-19, and acknowledging customers consumption may continue to be lower than the amount booked as a result of lockdown, the level of bookings made highlights that the market opportunity remains.

I would like to sincerely thank all of our employees for their Herculean efforts. The Board is confident that once we have weathered the Covid-19 storm, the long-term outlook for the Group remains highly positive.”

As previously announced, the responses to questions submitted for the Board prior to the AGM at AGM@yugroupplc.com will be published on the Company's website as soon as practical after the AGM.

The Board will provide a further update to its trading, in the ordinary course, in its July trading update covering the period to 30 June 2020.

For an audio presentation given by the Chairman and CEO please click the following link:
<https://yugroupplc.com/investors/agm-investor-presentation/>

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Notes to Editors

Information on the Group

Yü Group PLC, trading as Yü Energy, is an independent supplier of gas, electricity and water focused on servicing the corporate sector throughout the UK. It has no involvement in the domestic retail market. The Group was listed on the AIM market of the London Stock Exchange in March 2016.

See information on the Group at the investors website (www.yugroupplc.com) or the Customer website (www.yuenergy.co.uk)