

**Inspirit Energy Holdings PLC**  
(AIM: INSP)

**Unaudited interim accounts for the six months ended 31 December 2013**

Inspirit Energy Holdings PLC (“Inspirit Energy”) is pleased to announce its interim accounts for the six months ended 31 December 2013.

**Chairman’s Statement**

Inspirit Energy Holdings PLC, formerly KleenAir Systems International plc, acquired Inspirit Energy Limited and began trading on the LSE AIM markets on 26 July 2013. The Company is now exclusively on commercialising the Company’s unique and highly efficient micro co-generation boiler (“mCHP”).

Inspirit Energy’s new washing machine-sized mCHP micro co-generation boiler is one of the industry’s most powerful and energy efficient mCHP appliances for its size with simultaneous generation of up to 15 kilowatts of thermal output and up to 3 kilowatts of electrical output. The boiler has been designed to be low maintenance and can be installed by a certified gas-safe tradesman. The appliance’s patented engine will take the waste heat from the boiler and convert it efficiently into electricity; first supplying the property where it is installed and feeding surplus electricity into the national grid.

In moving towards commercialisation, Inspirit Energy have engaged leading industry players to assist with the manufacturing of the appliances, not only for in situ commercial testing and certification purposes, but preparing for full scale commercial production.

- Cambridge based technology and product developer Sentec Ltd have been appointed to assist with the final stage development of the mCHP controls package.
- Enertek International Ltd has been contracted to assist with the final mass manufacturing specifications and designs for the boiler’s key heating components, and assist with obtaining the necessary certifications required to sell the appliance initially in the UK and European market places.
- Global boiler manufacturer Malvern Boilers Ltd have been contracted to assist produce the initial volumes of appliances that will be used in full scale commercial trials.

Subsequent to the 31 December, an important step in the commercialisation path has been achieved with the signing of a strategic agreement the Caring Homes Group, one of the largest residential care providers in the UK, to install the first Inspirit mCHP boilers when the trial units become available for key customer testing and verification around the third quarter of 2014. The Company anticipates that successful trials of the appliance with the Caring Homes Group will demonstrate the economic viability of this appliance and potentially lead to significant orders into their extensive network of care homes throughout the UK.

The Company has since negotiated agreements with a number of other significant corporate clients to take trial units into their facilities. Further announcements will be made during the year.

**Board Changes and Appointments:**

Neil Luke was appointed as an Executive Director and Chief Operating Officer on 2 September 2013. Mr Luke has previously been assisting the Company in the capacity of Non Executive Director and advisor.

David Lenigas was appointed as Non-Executive Chairman with John Gunn, previously Executive Chairman, assuming the role of Executive Director and Chief Executive Officer.

**EIS and VCT status:**

On 26 September 2013 the Company announced that the UK HM Revenue & Customs has accepted the Company's application to join both the Enterprise Investment Scheme ("EIS") and the Venture Capital Trust ("VCT") Scheme, which are designed to offer a range of tax reliefs for investors.

**Results for the Period:**

Operating loss for the period to 31 December 2013 amounted to £251,000.

The board would like to take this opportunity for thanking all of the Company's staff and consultants for their hard work during the period and our shareholders for their support.

I look forward to reporting solid progress over the coming period and beyond as the Company strives towards its objectives of commercialising a very exciting technology.

**David Lenigas**  
**Chairman**

28 March 2014

**For further information please contact:**

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**Consolidated  
Comprehensive Income Statement  
for the six months ended 31 December 2013**

	<b>Group Six months to 31 December 2013 Unaudited £'000s</b>	<b>Company Six months to 31 December 2012 Unaudited £'000s</b>	<b>Company Year to 30 June 2013 Audited £'000s</b>
<b>Revenue</b>	-	7	7
Administrative expenses	(237)	(95)	(170)
Exceptional expenses	-	-	(258)
<b>Operating loss</b>	(237)	(88)	(421)
Finance income	-	1	4
Finance costs	(14)	(18)	(31)
<b>Loss before tax</b>	(251)	(105)	(448)
<b>Loss for the period from continuing operations attributable to shareholders</b>	(251)	(105)	(448)
<b>Loss per share - Pence</b>			
Basic and diluted	(0.04)p	(0.16)p	(0.64)p

**INSPIRIT ENERGY HOLDINGS PLC**  
**Consolidated**  
**Statement of Financial Position as at 31 December 2013**

	<b>Group As at 31 December 2013 Unaudited £'000s</b>	<b>Company As at 31 December 2012 Unaudited £'000s</b>	<b>Company As at 30 June 2013 Audited £'000s</b>
<b>Non-Current Assets</b>			
Investments	-	740	740
Goodwill	3,990	-	-
Intangible assets	843	-	-
Tangible assets	7	-	-
Trade and other receivables	216	68	125
	<u>5,056</u>	<u>808</u>	<u>865</u>
<b>Current assets</b>			
Inventory	5	-	-
Trade and other receivables	367	60	35
Cash and cash equivalents	58	22	-
	<u>430</u>	<u>82</u>	<u>35</u>
<b>Current liabilities</b>			
Borrowings	-	(212)	-
Trade and other payables	(557)	(171)	(368)
	<u>(557)</u>	<u>(383)</u>	<u>(368)</u>
<b>Net Current Liabilities</b>	(127)	(301)	(333)
<b>Non-Current Liabilities</b>			
Trade and other payables	-	(83)	(411)
Borrowings	-	-	(52)
	<u>4929</u>	<u>424</u>	<u>69</u>
<b>Equity</b>			
Share capital	964	471	471
Share premium	8,630	4,010	4,012
Other reserves	110	124	110
Retained losses	(4,775)	(4,181)	(4,524)
<b>Total</b>	<u><u>4,929</u></u>	<u><u>424</u></u>	<u><u>69</u></u>

**INSPIRIT ENERGY HOLDINGS PLC**  
**Consolidated**  
**Statement of Changes in Equity**  
**For the six months ended 31 December 2013**

	Share Capital £'000s	Share Premium £'000s	Other Reserves £'000s	Retained Losses £'000s	Total Equity £'000s
As at 30 June 2012	461	3,887	105	(4,076)	377
<b>Comprehensive income</b>					
Loss for the period	-	-	-	(105)	(105)
<b>Total comprehensive income</b>	-	-	-	(105)	(105)
<b>Transactions with owners</b>					
Share capital issued	8	92	-	-	100
Share based payments	-	17	-	-	17
Conversion of convertible loan	2	14	-	-	16
Share warrants issued	-	-	19	-	19
<b>Total transactions with owners</b>	10	123	19	-	152
<b>As at 31 December 2012</b>	<b>471</b>	<b>4,010</b>	<b>124</b>	<b>(4,181)</b>	<b>424</b>
As at 30 June 2013	471	4,012	110	(4,524)	69
<b>Comprehensive income</b>					
Loss for the period	-	-	-	(251)	(251)
<b>Total comprehensive income</b>	-	-	-	(251)	(251)
<b>Transactions with owners</b>					
Share capital issued	422	4,134	-	-	4,556
Share based payments	6	83	-	-	89
Conversion of loan	64	392	-	-	456
Conversion of share warrants	1	9	-	-	10
<b>Total transactions with owners</b>	493	4,618	-	-	5,111
<b>As at 31 December 2013</b>	<b>964</b>	<b>8,630</b>	<b>110</b>	<b>(4,775)</b>	<b>4,929</b>

**INSPIRIT ENERGY HOLDINGS PLC**  
**Consolidated**  
**Statement of Cash Flow**  
**For the six months ended 31 December 2013**

	Note	Group Six months to 31 December 2013 Unaudited £'000	Company Six months to 31 December 2012 Unaudited £'000	Company Year to 30 June 2013 Audited £'000
<b>Operating activities</b>				
Loss	6	(554)	(80)	(73)
Net cash used in operating activities		(554)	(80)	(73)
<b>Financing activities</b>				
Finance income		-	1	4
Finance costs		(14)	(18)	(31)
Issue of share warrants		10	19	-
Transactions with owners		690	100	100
Investment in R&D capitalised		(74)	-	-
Net cash from financing activities		612	102	73
Net cash outflow		58	22	-
Cash and cash equivalents at the beginning of the period		-	-	-
Cash and cash equivalents at the end of the period		58	22	-

**Significant Non-cash Transactions**

On 8 August 2013, the Company allotted 1,250,000 ordinary shares of 0.1 pence each to investment managers in settlement of fees.

On 4 September 2013, J Gunn, a director of the Company, agreed to convert £706,680 of outstanding debt held with Global Investment Strategy (UK) Limited and himself in return for 54,360,019 ordinary shares of 0.1 pence each.

On 17 September 2013, the Company allotted 1,978,734 ordinary shares of 0.1 pence each in settlement of professional fees.

# INSPIRIT ENERGY HOLDINGS PLC

## Consolidated Notes to the Interim Financial Information

### 1. General Information

The principal activity of Inspirit Energy Holdings PLC (“the Company”) during the period was that of an investment company which aims to invest in disruptive products or technologies that are either proven or at the later stages of development, which own or have exclusive licence to the relevant intellectual property and may benefit from feed-in tariffs or other renewable energy incentives.

On 25 July 2013 the company completed the acquisition of Inspirit Energy Limited, and now owns all of that company’s issued share capital. These financial statements show the consolidated results of the group for the period ended 31 December 2013; the comparative results for periods ended 31 December 2012 and 30 June 2013 are shown as previously presented for the company only.

Inspirit Energy Holdings PLC is a company incorporated and domiciled in England and Wales and quoted on the Alternative Investment Market of the London Stock Exchange. The address of its registered office is 2<sup>nd</sup> Floor, 2 London Wall Buildings, London, EC2M 5PP, United Kingdom. On 25 July 2013 the company changed its name from Kleenair Systems International PLC to Inspirit Energy Holdings PLC.

### 2. Basis of Preparation

The interim financial information set out above does not constitute statutory accounts within the meaning of the Companies Act 2006. It has been prepared on a going concern basis in accordance with the recognition and measurement criteria of International Financial Reporting Standards (IFRS) as adopted by the European Union. Statutory financial statements for the year ended 30 June 2013 were approved by the Board of Directors on 22 November 2013 and delivered to the Registrar of Companies. The report of the auditors on those financial statements was unqualified.

The interim financial information for the six months ended 31 December 2013 has not been reviewed or audited. The interim financial report has been approved by the Board on 28 March 2014.

#### *Going concern*

The Directors, having made appropriate enquiries, consider that adequate resources exist for the Company to continue in operational existence for the foreseeable future and that, therefore, it is appropriate to adopt the going concern basis in preparing the interim financial statements for the period ended 31 December 2013.

#### *Risks and uncertainties*

The Board continuously assesses and monitors the key risks of the business. The key risks that could affect the Company’s medium term performance and the factors that mitigate those risks have not substantially changed from those set out in the Company’s 2013 Annual Report and Financial Statements, a copy of which is available on the Company’s website: [www.inspirit-energy.com](http://www.inspirit-energy.com). The key financial risks are liquidity and credit risk.

### *Critical accounting estimates*

The preparation of interim financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the end of the reporting period. Significant items subject to such estimates are set out in note 2 of the Company's 2013 Annual Report and Financial Statements. The nature and amounts of such estimates have not changed significantly during the interim period.

### **3. Significant Accounting Policies**

The accounting policies applied are consistent with those of the annual financial statements for the year ended 30 June 2013, as described in those annual financial statements.

### **4. Segmental Analysis**

The Company's primary reporting format is business segments and its secondary format is geographical segments. The Company only operates in a single business and geographical segment. Accordingly no segmental information for business segment or geographical segment is required.

### **5. Loss per Share**

The loss per ordinary share is based on the Group's loss for the period of £251,000 (company's loss – 6 months to 31 December 2012 - £105,000; year ended 30 June 2013 - £448,000) and a basic and diluted weighted average number of ordinary shares of £0.001 each in issue of 566,768,137 (31 December 2012 – basic and diluted 64,714,582; 30 June 2013 - basic and diluted 73,139,505).

### **6. Reconciliation of Operating Loss to Net Cash Outflow from Operating Activities**

	<b>Group Six months to 31 December 2013 Unaudited £'000s</b>	<b>Company Six months to 31 December 2012 Unaudited £'000s</b>	<b>Company Year to 30 June 2013 Audited £'000s</b>
<b>Operating Loss for the period</b>	(237)	(88)	(421)
Adjustments for :			
(Increase) in receivables	(40)	(59)	(53)
(Decrease)Increase in payables	(277)	67	401
<b>Net cash from operating activities</b>	<b>(554)</b>	<b>(80)</b>	<b>(73)</b>

### **7. Called up Share Capital**



The issued share capital is as follows

	<b>Ordinary 'A' shares of £0.001</b>	<b>Ordinary 'B' shares of £0.001</b>	<b>Deferred shares of £0.99</b>
31 December 2013	566,768,137	-	400,932
30 June 2013 (audited)	73,139,505	1,221,200	400,932
31 December 2012	64,714,582	1,221,200	400,932

8. Copies of this interim financial information document are available from the Company at its registered office at 2<sup>nd</sup> Floor, Number 2, London Wall Buildings, London, EC2M 5PP. The interim financial information document will also be available on the Company's website [www.inspirit-energy.com](http://www.inspirit-energy.com).