

31 March 2017

Inspirit Energy Holdings PLC
(“Inspirit Energy” or “the Company”)

Interim Results

Inspirit Energy Holdings PLC (AIM: INSP), the developer of micro Combined Heat and Power (microCHP) boilers, is pleased to announce its interim accounts for the six months ended 31 December 2016.

Chairman’s Statement:

The Company continued to engage with key launch customers for the Inspirit Charger and prepare for the commercial launch of the product during the period.

Furthermore, the Company notes the recent announcement by the Department for Business, Energy and Industrial Strategy (‘BEIS’) in response to the consultation on the Feed in Tariff (FiT) scheme. In its consultation response, BEIS states that the “Government has decided to make no change to the mCHP tariff rate” and that funding will continue to be provided for up to 20MW of deployed capacity, with 6 monthly limits of 5MW, commencing 1st April 2017. The feed in tariff scheme as a whole is expected to close to new applications on 31st March 2019.

We are therefore continuing with our strategy of launching a 2.0kW (electrical) version of the Inspirit Charger (“Inspirit Charger 2.0”), which could appeal to customers eligible for government support under the FiT scheme. The 2.0kW version would be closely aligned to our core 3.0kW (electrical) product (“Inspirit Charger 3.0”) and would require only minor modifications in order to be brought to market and to be eligible for the FiT scheme.

For commercial customers it is expected that the Inspirit Charger 2.0 would act as the lead boiler in a cascade and as such could achieve annual run hours in excess of 7,000 hours per year in our target market segments. At this level, the feed in tariff income from the generation tariff would be approximately £1,930 per year, in addition to the feed in tariff income from the export tariff would be approximately £350 per year (assuming the deemed export option is selected).

This makes the proposition of installing the Inspirit Charger 2.0 as attractive for the commercial customer as the Inspirit Charger 3.0 without FiT allowances, when there is significant heat demand.

The Board is confident that with the consolidation in the mCHP industry, Inspirit will eventually be a major contributor to the industry.

Results for the Period

The operating loss for the six-month period to 31 December 2016 amounted to £215,000 (six months to 31 December 2015: loss of £334,000). At 31 December 2016, the Company had cash and cash equivalents of £73,000.

John Gunn, Chairman and CEO of Inspirit, commented,

“The Company is continuing to advance towards the commercialisation of the Inspirit Chargers and the business is working hard to meet the required milestones of approvals and customer field trials whilst incorporating the ‘sealed for life’ Stirling engine component within the overall appliance configuration. This is being achieved through extensive reliability tests and supplier evaluations. It is fully expected that on conclusion of these tests, sales can be targeted within the next financial year. The Board believes that the “sealed for life” aspect at the heart of the Inspirit Charger is a unique selling point because of the ease of installation and zero maintenance that small and medium-sized enterprise customers will value highly and stands as a distinct attribute when compared to other engine based microCHP products in the market.”

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INSPIRIT ENERGY HOLDINGS PLC
Consolidated
Statement of Comprehensive Income
for the six months ended 31 December 2016

	Group Six months to 31 December 2016 Unaudited £'000s	Group Six months to 31 December 2015 Unaudited £'000s	Group Year to 30 June 2016 Audited £'000s
Revenue	-	-	-
Administrative expenses	(214)	(330)	(503)
Other Losses –Net			(23)
Operating loss	<u>(214)</u>	<u>(330)</u>	<u>(526)</u>
Finance costs	(1)	(4)	(27)
Loss before tax	<u>(215)</u>	<u>(334)</u>	<u>(553)</u>
Income tax credit	-	-	95
Loss for the period from continuing operations attributable to shareholders	<u><u>(215)</u></u>	<u><u>(334)</u></u>	<u><u>(458)</u></u>
Loss per share - Pence			
Basic and diluted	<u><u>(0.02)p</u></u>	<u><u>(0.05)p</u></u>	<u><u>(0.06)p</u></u>

INSPIRIT ENERGY HOLDINGS PLC
Consolidated
Statement of Financial Position as at 31 December 2016

	Group As at 31 December 2016 Unaudited £'000s	Group As at 31 December 2015 Unaudited £'000s	Group As at 30 June 2016 Audited £'000s
Non-Current Assets			
Intangible assets	2,619	2,261	2,495
Tangible assets	58	76	63
	<u>2,677</u>	<u>2,337</u>	<u>2,558</u>
Current assets			
Inventory	-	6	-
Trade and other receivables	63	366	329
Cash and cash equivalents	73	23	258
	<u>136</u>	<u>395</u>	<u>587</u>
Current liabilities			
Trade and other payables	(311)	(453)	(381)
Other borrowing	(120)	(320)	(167)
	<u>(431)</u>	<u>(773)</u>	<u>(548)</u>
Net Current Liabilities	(295)	(378)	39
Non-Current Liabilities			
Trade and other payables	-	-	-
	<u>2,382</u>	<u>1,959</u>	<u>2,597</u>
Equity			
Share capital	1,334	1,176	1,334
Share premium	8,097	7,574	8,097
Other reserves	206	125	206
Merger reserve	3,150	3,150	3,150
Reverse acquisition reserve	(7,361)	(7,361)	(7,361)
Retained losses	(3,044)	(2,705)	(2,829)
Total	<u>2,382</u>	<u>1,959</u>	<u>2,597</u>

INSPIRIT ENERGY HOLDINGS PLC
Consolidated
Statement of Changes in Equity
For the six months ended 31 December 2016

	Share Capital £'000s	Share Premium £'000s	Other Reserves £'000s	Merger Reserve £'000s	Reverse Acquisiti on Reserve £'000s	Retained Losses £'000s	Total Equity £'000s
As at 30 June 2015	1,098	7,305	125	3,150	(7,361)	(2,371)	1,946
Comprehensive income							
Loss for the period	-	-	-	-	-	(334)	(334)
Total comprehensive income	-	-	-	-	-	(334)	(334)
Issue of new shares	78	287					365
Issue costs	-	(18)	-	-	-	-	(18)
Total transactions with owners	78	269	-	-	-	-	347
As at 31 December 2015	1,176	7,574	125	3,150	(7,361)	(2,705)	1,959
As at 30 June 2016	1,334	8,097	206	3,150	(7,361)	(2,829)	2,597
Comprehensive income							
Loss for the period	-	-	-	-	-	(215)	(215)
Total comprehensive income	-	-	-	-	-	(215)	(215)
As at 31 December 2016	1,334	8,097	206	3,150	(7,361)	(3,044)	2,382

INSPIRIT ENERGY HOLDINGS PLC
Consolidated
Statement of Cash Flows
For the six months ended 31 December 2016

	Note	Group Six months to 31 December 2016 Unaudited £'000	Group Six months to 31 December 2015 Unaudited £'000	Group Year to 30 June 2016 Audited £'000
Operating activities				
Net cash from operating activities	6	(14)	(90)	(206)
Net cash generated/(used) in operating activities		(14)	(90)	(206)
Investing activities				
Acquisition of intangible assets		(124)	(154)	(388)
Acquisition of plant and equipment		-	(81)	-
Net cash from financing activities		(124)	(235)	(388)
Financing activities				
Issue of share capital		-	365	999
Finance costs		(1)	(18)	(27)
Increase in short term borrowing		(46)	-	(121)
Transactions with owners				-
Net cash from financing activities		(47)	347	851
Net cash outflow		(185)	22	257
Cash and cash equivalents at the beginning of the period		258	1	1
Cash and cash equivalents at the end of the period		73	23	258

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.

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 2nd Floor, 2 London Wall Buildings, London, EC2M 5PP, United Kingdom.

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 2016 were approved by the Board of Directors on 30 December 2016 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 2016 has not been reviewed or audited. The interim financial report has been approved by the Board on 28 March 2017.

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 2016.

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 2016 Annual Report and Financial Statements, a copy of which is available on the Company’s website: 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 2016 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 2016, 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 £215,000 (company's loss – 6 months to 31 December 2015 - £334,000; year ended 30 June 2016 - £458,000) and a basic and diluted weighted average number of ordinary shares of £0.001 each in issue of 936,806,859 (31 December 2015 – basic and diluted 712,212,949; 30 June 2016 - basic and diluted 794,406,441).

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

	Group Six months to 31 December 2016 Unaudited £'000s	Group Six months to 31 December 2015 Unaudited £'000s	Group Year to 30 June 2016 Audited £'000s
Operating Loss for the period	(214)	(334)	(526)
Adjustments for :			
(Increase)/Decrease in receivables	264	81	218
(Decrease)/Increase in payables	(72)	83	62
Depreciation	7	7	13
Income tax credit received	-	55	-
Finance expense	1	18	27
Net cash from operating activities	<u>(14)</u>	<u>(90)</u>	<u>(206)</u>

7. Issued and fully paid

The issued share capital is as follows

	Ordinary 'A' shares of £0.001	Ordinary 'B' shares of £0.001	Deferred shares of £0.99
31 December 2016	936,806,859	-	400,932
30 June 2016	936,806,859	-	400,932
31 December 2015	778,806,857	-	400,932

8. Copies of this interim financial information document are available from the Company at its registered office at 2nd 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.