19 January 2017

PLUTUS POWERGEN PLC ("Plutus" or the "Company")

Interim Results for the Six Month Period Ended 31 October 2016

Plutus PowerGen PLC (AIM: PPG), the AIM listed power company focused on the development, construction and operation of flexible electricity and gas power generation in the UK, announces its interim results for the six-month period ended 31 October 2016.

Highlights

Highly active period during which Plutus expanded its growth prospects and laid the ground for its first 20 MW flexible energy site to become operational post period end in November 2016:

- **Maiden profit of £3,035 for the period compared with a loss of £189,937 in the same period last year**
- **86% increase in revenues - £675,000 delivered during the period compared with £362,500 in the same period last year**
- **£3 million asset financing facility committed for Attune Energy Limited, which holds the operational 20MW site, by Lombard North Central plc ("Lombard")**
- **Annualised management fees of £1.35 million from nine funded FlexGen projects, representing 180MW of capacity**
- **Targeting at least 120 MW to be operational and an additional 120 MW post planning by the end of 2017, including new initiative with gas fuelled plants**
- **Sites under management with capacity of 180MW to date**
- **Success in the Capacity Market Auction post period end for a further three 20MW sites with planning, bringing the total Capacity Market contracts awarded to 120MW**
- **Post-period end, indicative partnership agreed with Big Six utility company to fund 20% of future renewable fuel and gas powered projects**
- **Total pipeline (including FlexGen and Gas) remains at over 700MW**
- **Gas sites being sought - several under review and two in the planning process**

Executive Chairman's Report

I am delighted to report our maiden profit; this can be attributed to the careful planning and implementation of our business plan and very close control of cash and disbursements for expenses regarding the nine companies funded by Rockpool Investments LLP ("Rockpool Investee Companies") in which we have a 45% stake and receive £150,000 from each Company by way of a management contract. This represents an important milestone for the Company and continues the positive trend over the past three years. We therefore have a profit per share compared with a loss per share in the comparable period last year. In addition to continuing to progress and develop the nine Rockpool Investee Companies' sites, the management team has been focused on putting into place the mechanisms by which we will now be able to diversify into gas fuelled power generation, as well as developing FlexGen opportunities; this includes the sourcing and evaluation of potential sites, the planning process and connections, and the obtaining of the finance for us to be able to develop the gas sites. I am pleased to report that on all fronts this is progressing well.

This period has again been a very busy one for the Group and the Directors continue to be active in securing deals to enable the Group to have at least five sites in operation and a further six power generation sites (including gas) in the post planning and construction stages by the end of 2017. We have many opportunities available to us for both FlexGen and gas sites and, in respect of gas, we have two sites already in the planning process. Strategically we aim to largely develop gas sites in the future although we will still seek to develop FlexGen and similar sites where the situation is favourable. As Phil Stephens mentions below in the Chief Executive's Review, we continue to investigate alternative liquid fuels and combustion technologies that will reduce emissions to negligible levels for our existing and future FlexGen sites which is strategically very important for the Group.

We were very pleased to announce that, since the period end, the Company has received an offer from a leading 'Big Six' multinational utility company to fund up to 20% of any 20MW renewable fuel or gas powered flexible energy projects going forward. This fits well with the Company's strategy to deliver projects in which it holds an 80% interest and this relationship is envisaged to provide sufficient equity to allow PPG to develop majority owned assets going forward. We are also in negotiations with other interested parties to inject equity into new projects going forward on a similar basis to the 'Big Six' multinational utility company. The Board remains confident that it will be able to fund its portion of the development costs via debt, particularly given the endorsement of this major energy and services company, and it continues discussions with a range of parties in respect to majority owned sites developed in the future. Additionally, the bond that the Company is now ready to proceed and we will be officially launching in the first six months of this year. This belief is also underpinned by the Company's recent involvement in the securing of £3 million of asset financing from Lombard for Attune Energy Limited, the company established to hold our first project, to fund the development of the recently commissioned project in Plymouth. Additionally, in respect to the proposed bond we announced our intention to list in February 2016, it is now ready to proceed and we will be officially launching in the first six months of this year.

In June, we were delighted to appoint Tim Cottier as Non-Executive Director, Tim is a Chartered Accountant who brings a wealth of commercial and advisory experience to the Board of Directors.

Significant events during the period under review and post period end

The Group has substantially reduced losses for the period under review and we are delighted to report our maiden profit in comparison with the same period in the last financial year. It represents an important milestone for the Company and continues the positive trend over the past three years. We therefore have positive earnings per share compared with a loss per share in the comparable period last year. We have management revenues now being generated from nine sites totalling £1.35million on an annualised basis.

Our continued success in the Capacity Market Auction with a further three 20MW sites with planning, totalling 60MW being awarded in December 2016 contributes materially to each investee Company's revenues and valuation. The sites for which the Capacity Mechanism Contracts have recently been awarded are held through Equivalence Energy, Precise Energy and Valence Power; companies which have been established to hold the projects and to which PPG has been appointed as manager. These sites, where PPG has an interest of 45%, are equity funded through PPG's relationship with Rockpool. A total of six Capacity Mechanism Contracts totalling 120MW have now been awarded to Rockpool Investee Companies. Each operational site awarded a Capacity Mechanism Contract in the latest round will receive an additional £450,000 in revenue per annum for a period of 15 years, commencing 2020.

Outlook

In conclusion, the Group has had a very successful first half and I would like to thank all the staff and Directors for their considerable efforts and support, together with our army of advisors and consultants, who assist us in developing and executing both our FlexGen and gas pipelines.

As we move into 2017 the Directors view the year ahead with confidence, as we continue the execution of the Rockpool Investee Companies' site build out and seek to develop our strategy of diversification into gas fuelled power generation sites in the future.

Charles Tatnall
Executive Chairman
19 January 2017

Chief Executive's Review

Summary of the Business

Plutus is a company operating in the flexible stand-by power and gas power generation sector. The Group provides the management infrastructure and expertise to operate power plants which provide flexible electricity generation and gas power generation in the UK. Power thus generated is sold to a utility company via a Power Purchase Agreement ("PPA"). Plutus has an equity interest in and receives fees from the management of the entities established to manage each facility

Flexible energy is becoming increasingly necessary and prominent in the UK as our energy mix changes to include renewables, which by their very nature provide power intermittently; wind turbines provide power when the wind blows, and solar when the sun shines. Combined with this intermittency, larger carbon intensive sources of generation are being retired, meaning that the supply-demand margin is tightening. Therefore, National Grid and the Big Six need consistent and reliable sources of generation to balance the grid when intermittent generation is unable to meet the demand and therefore prevent brownout/ blackouts as the UK's supply margin tightens. The Group's decentralised flexible generation can be rapidly deployed to meet this varying demand and is therefore valuable in maintaining system frequency balance and avoiding the potential for supply interruptions.

Corporate Developments

Building portfolio
220MW under development with 700MW pipeline

Project Progression
20 MW power generation site in operation

Increasing revenues
£1.35 m generated p/a with additional long-term/recurring streams identified

Diversified focus
Plans to develop gas-powered projects

Emergent market
Intermittent renewables putting pressure on a tightening power market

Minimising dilution
Projects held in separate companies which can be funded without diluting TOPCO PLC

Of the 220MW under development, 20MW (1 site) is operational, 120MW (6 sites including the operational site) have secured planning permission and 100MW (5 sites) have been submitted for planning. We continue to develop our remaining pipeline together with our partners, which now includes a diversification towards gas-powered sites, two of which are in the process of submission for planning.

We continue to engage and respond to the various Government initiatives and reviews which are seeking to secure the UK's energy future. While these inevitably create some uncertainty, the structural fundamentals of the market remain and the Board continues to have a positive outlook that these initiatives will provide additional opportunities for flexible electricity generation facilities such as ours.

As outlined in the Chairman's Report, our FlexGen projects are run using a renewable fuel, which together with the fact that the projects are only switched on for a very short period of time per year, means that our carbon footprint is relatively low. However, we are environmentally minded and to supplement our strategy of diversification into gas, we continue to investigate alternative liquid fuels and combustion technologies that will reduce emissions to negligible levels. We hope to be able to provide substantive updates in this regard later in the year.

Significantly, our first facility came on stream in November 2016, in time for this year's TRIAD season and this has been running reliably and effectively. We are planning to build a further five sites (or 100MW) during 2017, with these sites coming on stream for the 2018 TRIAD season, subject to connection. We also expect the final three planning permissions for the Rockpool Investee Companies by the end of Q2 2017, meaning that we will be well on the way to fulfilling our obligations under those arrangements.

On funding for the sites other than those allocated to the Rockpool Investee Companies, we have secured equity funding from a 'Big Six' multinational utility company for up to 20% of each site. The balance is expected to come from a mixture of mainstream and mezzanine debt funding, either directly into the SPV (special purpose vehicle) to be established for each site or via Plutus. Work continues on these funding streams and we look forward to updating the market in due course.

Financial review

Highlights

	6 months ended 31 October 2016	6 Months ended 31 October 2015	Improvement
	£	£	%
Revenue	**675,000**	**362,500**	**86%**
Operating Profit/(Loss)	**3,035**	**(189,937)**	**∝**
Profit/(Loss) per share (pence per share)	**0.00**	**(0.03)**	**∝**

The Group's net profit for the period was £3,035 (6 months ended 31 October 2015: loss of £183,937). This profitable trend is expected to continue during the remainder of the financial year. The loss for the equivalent period last year also included a provision for planning and associated costs for sites that may not proceed of £69,591. The Company continues to control costs as tightly as possible. Finance costs from the convertible loans were £13,525 (6 months ended 31 October 2015: £13,629). For the six months, administration expenses were £658,440 (6 months ended 31 October 2015: £532,808), an increase of 23.5% that reflects the increased activity of the Company, which is more than offset by management fees receivable.

During the past two years, the Company has disbursed considerable sums of money in respect of planning applications and associated costs such as environmental reports and emissions reports together with deposits for grid connections. Essentially, the Company funds all costs associated with each 20MW site up until the point that it achieves planning permission. At this stage, in the case of the Rockpool Investee Companies, the site is accepted by that investee company and the sums expended on that site are reimbursed to Plutus by the Rockpool Investee Company. Net reimbursable expenses continue to reduce from the Rockpool Investee Companies as more planning permissions are achieved and these are expected to be reduced to a negligible value by the end of 2017 as planning permissions for the remaining Rockpool Investee Companies are achieved.

Cash and short-term investments as at 31 October 2016 totalled £45,084. Management fees from the Rockpool Investee Companies are received monthly when they fall due. The Directors believe the Company has sufficient working capital for the foreseeable future.

Events after the reporting period

The Company received planning permission for the development of two 20MW renewable fuel powered energy generation sites in Stowmarket, Suffolk. This brings the total number of 20MW sites which have planning permission for the development of renewable fuel powered energy generation projects to seven (equal to 140MW) and we have a further five sites (100MW) in planning.

The Company also successfully brought its first power generation project in Plymouth into operation after the period end and in time for this year’s TRIAD season. The site is now operating at full output and Attune Energy Limited is successfully generating revenues as expected. This is a transformational milestone for the Company, acting as proof-of-concept in respect of Plutus' strategy to become a predominant player in the flexible energy generation market, and providing Attune Energy Limited with immediate exposure to its revenue streams, including:

- Short Term Operating Reserve (STOR)
- Firm Frequency Response (FFR)
- TRIAD
- Merchant power sales (PPAs)

Attune Energy Limited, in which we have a 45% interest and from which we receive a management fee of £150,000 per annum, operates the Plymouth site, which also holds a Capacity Mechanism Contract for 15 years starting in 2019 and is pre-qualified for next year's 2017 Capacity Mechanism Contract.

Phil Stephens
Chief Executive Officer
19 January 2017

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UNAUDITED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE SIX MONTHS ENDED 31 OCTOBER 2016

	Unaudited 6 months ended 31 October 2016	Unaudited 6 months ended 31 October 2015	Audited Year ended 30 April 2016
	£	£	£
Continuing operations			

Revenue	675,000	362,500	887,500
Gross profit	675,000	362,500	887,500
Administration expenses	(658,440)	(532,808)	(1,267,588)
Finance costs	(13,525)	(13,629)	(27,688)
Profit/(Loss) before taxation	3,035	(183,937)	(407,776)
Taxation	–	–	–
Profit/(Loss) for the period and total comprehensive income	3,035	(183,937)	(407,776)
Basic and fully diluted profit/loss per share			
Continuing and total operations	0.00p	(0.03p)	(0.07p)

UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE SIX MONTHS ENDED 31 OCTOBER 2016

	Called up share capital £	Share premium account £	Other reserves £	Retained deficit £	Total equity £
Balance at 1 May 2015	1,376,950	6,334,076	97,963	(7,050,194)	758,795
Total comprehensive income for the period	–	–	–	(183,937)	(183,937)
Credit to equity in respect of share-based compensation charge	–	–	17,535	–	17,535
Balance at 31 October 2015	1,376,950	6,334,076	115,498	(7,234,131)	592,393
Total comprehensive income for the period	–	–	–	(223,839)	(223,839)
Issue of share capital	120,000	660,000	–	–	780,000
Credit to equity in respect of share-based compensation charge	–	–	17,535	–	17,535
Balance at	1,496,950	6,994,076	133,033	(7,457,970)	1,166,089

30 April 2016					
Total comprehensive income for the period	–	–	–	3,035	3,035
Balance at 31 October 2016	1,496,950	6,994,076	133,033	(7,454,935)	1,169,124

UNAUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 OCTOBER 2016

	Unaudited 6 months ended 31 October 2016 £	Unaudited 6 months ended 31 October 2015 £	Audited Year ended 30 April 2016 £
ASSETS			
Non-current assets			
Goodwill	1,085,000	485,000	1,085,000
Investments	152	47	152
Total non-current assets	1,085,152	485,047	1,085,152
Current assets			
Trade and other receivables	530,482	455,159	417,980
Cash and cash equivalents	45,084	36,382	222,608
Total current assets	575,566	491541	440,588
Total assets	1,660,718	976,588	1,525,740
LIABILITIES			
Current liabilities			
Trade and other payables	291,594	196,891	166,288
Borrowings	200,000	16,000	16,000
Total current liabilities	491,594	212,891	182,288
Non-current liabilities			
Convertible loan notes	-	171,304	177,363
Total non-current liabilities	-	171,304	177,363
Total liabilities	491,594	384,195	359,651
Net assets/(liabilities)	1,169,124	592,393	1,166,089

EQUITY			
Share capital	1,496,950	1,376,950	1,496,950
Share premium account	6,994,076	6,334,076	6,994,076
Loan note equity reserve	23,657	23,657	23,657
Share option and warrant reserve	109,376	91,841	109,376
Retained losses	(7,454,935)	(7,234,131)	(7,457,970)
Total equity	1,169,124	592,393	1,166,089

UNAUDITED CONSOLIDATED CASH FLOW STATEMENT
FOR THE SIX MONTHS ENDED 31 OCTOBER 2016

	Unaudited 6 months ended 31 October 2016	Unaudited 6 months ended 31 October 2015	Audited Year ended 30 April 2016
	£	£	£
Loss before tax	3,035	(183,937)	(407,776)
Share-based compensation charge	-	17,535	35,070
Loan note interest charge	13,525	13,629	27,688
Operating cash flow before movements in working capital	16,560	(152,773)	(345,018)
Increase in receivables	(112,502)	(177,152)	(139,973)
Increase/(decrease) in payables	126,418	53,822	23,219
Net cash used in operating activities	30,476	(276,103)	(461,772)
Investing activities			
Investment in associated undertakings	—	—	(105)
Net cash used in investing activities	—	—	(105)
Financing activities			
Proceeds of share issues	—	—	180,000
Interest paid	(8,000)	(8,000)	(16,000)
Net cash generated from financing activities	(8,000)	(8,000)	164,000
Net increase/(decrease) in cash and cash equivalents	22,476	(284,103)	(297,877)

Cash and cash equivalents at beginning of year	22,608	320,485	320,485
Cash and cash equivalents at end of year	45,084	36,382	22,608

NOTES TO THE INTERIM REPORT

1. Basis of preparation

The financial information set out in this interim report does not constitute statutory accounts as defined in section 434 of the Companies Act 2006. The Company's statutory financial statements for the period ended 30 April 2016, prepared under International Financial Reporting Standards (IFRS), have been filed with the Registrar of Companies. The auditor's report on those financial statements was unqualified and did not contain a statement under section 498 (2) or (3) of the Companies Act 2006.

The interim financial information has been prepared in accordance with the recognition and measurement principles of International Financial Reporting Standards (IFRS) and on the same basis and using the same accounting policies as used in the financial statements for the year ended 30 April 2016. The interim financial statements have not been audited or reviewed in accordance with the International Standard on Review Engagement 2410 issued by the Auditing Practices Board.

The financial statements have been prepared on a going concern basis under the historical cost convention.

The Directors believe that the going concern basis is appropriate for the preparation of the financial statements as the Company is in a position to meet all its liabilities as they fall due.

2. Earnings per share

The calculation of basic and diluted earnings per share is based on the profit for the period of £3,035 (2015: Loss £183,937) and a weighted average number of ordinary shares of 691,428,935 (2015: 571,428,935). The number of shares used in the calculation of the diluted loss per share is the same as that used for the basic loss per share for the current period, as the exercise of options would be anti-dilutive.

3. Share Capital

	Number of Ordinary shares	Value £	Number of Deferred shares	Value £	Share Premium £
Issued and fully paid					
At 1 May 2016 and 31 October 2016 (ordinary shares of 0.1p)	691,428,935	691,429	16,439,210	805,521	6,994,076

4. Dividend

No interim dividend will be paid.

Copies of the interim report can be obtained from: The Company Secretary, Plutus PowerGen PLC, 27/28 Eastcastle Street, London W1E 8DH and are available to view and download from the Company's website: www.plutuspowergen.com

Market Abuse Regulation (MAR) Disclosure

Certain information contained in this announcement would have been deemed inside information for the purposes of Article 7 of Regulation (EU) No 596/2014 until the release of this announcement.