Energiser Investments plc
Consolidated unaudited half-yearly financial report for the period ended 30 June 2016

Interim Chairman's Statement

I am delighted to report on the Group's Interim results for the six months to 30 June 2016.

I reported in the year end December 2015 report that we are consolidating our focus into the property sector and welcomed Dominic White to the Board as a Non-executive Director. I am pleased to say that we have made exciting progress on a number of property transactions and expect to announce our next investment in the coming months.

Given the additional work that sourcing, negotiating, closing and managing new investments brings, we are pleased to announce that Dominic has accepted an executive position at Energiser and is now the Chief Executive Officer. He will drive the growth of the company going forwards. We're excited by the pipeline of opportunities already under consideration and look forwards to a busy and successful period for the company.

Results

Energiser continues to hold the 20 residential properties at Wellingborough. The gross rental income from the portfolio was £77,000 (2015: £72,000), an increase of 5% over the previous year. The net rental income, after relevant operating costs, was £60,000 (2015: £54,000).

Energiser's administrative expenses have increased to £35,000 (2015: £25,000) for the half year.

The loss before taxation was £161,000 (2015 profit: £20,000) with a loss per share of 0.32p (2015: profit 0.04p). We have further profit to realise from the mezzanine financing for the development at Kingswood Park, Surrey but under accounting rules we cannot recognise these profits in the profit and loss account until the last unit has been sold.

Net assets have decreased to £340,000 (2015: £422,000) primarily due to higher than expected finance costs. These were incurred as the term of our borrowing facilities had to be increased as a result of delays in the repayment of the mezzanine loan by the housebuilder referred to below. This results in a net asset value per share of 0.78p (2015: 0.96p).

The Directors do not recommend the payment of a dividend.

Operations

The 20 residential properties in Wellingborough, Northants, have maintained their high historic occupational level at more than 96% average occupancy over the period. We will carefully consider whether the capital currently allocated to these assets can be better deployed into more dynamic investments in the coming six months.

Our investment in the development of 12 residential properties in Kingswood Park, Surrey by a housebuilder is almost complete. The investment is by way of mezzanine funding to the housebuilder. 11 of the 12 properties have been sold and legally completed. The senior lender on this development has been repaid in full. The Group is expecting to receive all its priority return of £785,000.

The Group has continued to fully provide against its investment in EiRx Therapeutics plc, which was placed in creditors' voluntary liquidation.

The company has launched an updated web site at www.energiserinvestments.co.uk as a tool for investors and potential partners to understand more about our future focus and historic transactions.

Outlook

Energiser's strategy as an Investment Company is to invest, directly or indirectly, in quoted and unquoted companies in the property sector to achieve capital growth in the mediumterm.

The Group's investment tactics are to focus on the European property sector and it currently holds investment properties, acquired by way of its principal activity: it has invested directly in residential property development by way of both equity stakes and high yield short term lending. The Company does not have a specific policy in relation to gearing its investments but recognises that the nature of its investment sector lends itself well to geared investments.

Energiser will continue to focus on direct investment in the equity and debt capital of property assets. It will also look to increase its exposure to property by investing in property operating companies such as serviced-residential, serviced-storage or serviced-leisure that combine an interest in a property portfolio with an over-riding operating business. We believe that the diversified revenue streams available from certain property operating businesses are an exciting and innovative way to drive growth and shareholder value.

With so much activity in progress at Energiser, I look forwards to our next update in 2017.

Stephen Wicks
Chairman
29 September 2016

For further information contact:

Energiser Investments plc	Nishith Malde	+44 (0) 1494 762450
Cairn Financial Advisers LLP	Jo Turner/ Sandy Jamieson	+44 (0) 20 7148 7900

Group statement of comprehensive income

	Note	Unaudited 6 months to 30 June 2016 £'000	Unaudited 6 months to 30 June 2015 £'000	Audited year to 31 December 2015 £'000
Continuing operations				
Revenue arising in the course of ordinary activities		**77**	**72**	154
Cost of sales		**(17)**	**(18)**	(34)
Gross profit		**60**	**54**	120
Administrative expenses		**(35)**	**(25)**	(50)
Revaluation of investment properties		**—**	**158**	102
Operating profit	5	**25**	**187**	172
Finance costs		**(193)**	**(173)**	(358)
Finance income		**7**	**6**	**19**
(Loss)/profit before taxation	5	**(161)**	**20**	(167)
Taxation		**—**	**—**	—
Profit/(loss) for the period attributable to shareholders of the Company		**(161)**	**20**	(167)
Other comprehensive income – fair value adjustment to the profit on mezzanine funding arrangement		**155**	**(248)**	(16)
Related deferred taxation		**(73)**	**52**	4
Other comprehensive income for the period, net of tax		**82**	**(196)**	(12)
Total comprehensive income		**(79)**	**(176)**	(179)
(Loss)/earnings per share				
Basic and diluted (loss)/earnings per share from total and continuing operations	4	**(0.32)p**	**0.04p**	(0.38)p

Diluted earnings per share is taken as equal to basic earnings per share as the Group's average share price during the period is lower than the exercise price and therefore the effect of including share options is anti-dilutive.

Group statement of financial position

	Note	Unaudited as at 30 June 2016 £'000	Unaudited as at 30 June 2015 £'000	Audited as at 31 December 2015 £'000
ASSETS				
Non-current assets				
Investment property	6	**2,844**	**2,900**	2,844
Financial assets at fair value through profit and loss		**-**	**1**	-
		2,844	**2,901**	2,844
Current assets				
Trade and other receivables		**21**	**16**	38
Available-for-sale financial assets		**654**	**3,144**	3,977
Cash and cash equivalents		**39**	**5**	218
		714	**3,165**	4,233
Total assets		**3,558**	**6,066**	7,077
LIABILITIES				
Current liabilities				
Trade and other payables		**791**	**722**	866
Short term borrowings		**946**	**4,828**	4,318
Deferred tax		**165**	**92**	140
		1,902	**5,642**	5,324
Non-current liabilities				
Long term borrowings		**1,316**	—	1.334
Financial liabilities held at fair value through profit or loss		**-**	**2**	-
		1,316	**2**	1,334
Total liabilities		**3,218**	**5,644**	6,658
Net assets		**340**	**422**	419
EQUITY				
Share capital		**2,312**	**2,312**	2,312
Share premium account		**5,747**	**5,747**	5,747
Convertible loan		**88**	**88**	88
Merger reserve		**1,012**	**1,012**	1,012
Revaluation reserve		**610**	**344**	528
Retained earnings		**(9,429)**	**(9,081)**	(9,268)
Total equity		**340**	**422**	419

Group statement of changes in equity

	Share capital £'000	Share premium account £'000	Convertible loan £'000	Merger reserve £'000	Revaluation reserve £'000	Retained earnings £'000	Total equity £'000
Balance at 1 January 2015	**2,312**	**5,747**	**88**	**1,012**	**540**	**(9,101)**	**598**
Total comprehensive income	—	—	—	—	(196)	20	(176)
Balance at 30 June 2015	**2,312**	**5,747**	**88**	**1,012**	**344**	**(9,081)**	**422**
Total comprehensive income	—	—	—	—	184	(187)	(3)
Balance at 31 December 2015	**2,312**	**5,747**	**88**	**1,012**	**528**	**(9,268)**	**419**
Total comprehensive income	—	—	—	—	82	(161)	(79)
Balance at 30 June 2016	**2,312**	**5,747**	**88**	**1,012**	**610**	**(9,429)**	**340**

Group statement of cash flows

	Unaudited 6 months to 30 June 2016 £'000	**Unaudited 6 months to 30 June 2015 £'000**	Audited year to 31 December 2015 £'000
Cash flows from operating activities			
Profit/(loss) before and after taxation	**(161)**	**20**	(167)
Adjustments for:			
Interest expense	**170**	**173**	358
Interest Income	**-**	**-**	(11)
Fair value adjustment on financial liabilities recognised in profit or loss	**-**	**(6)**	(8)
Fair value adjustment on investment properties	**-**	**(158)**	(102)
Changes in working capital:			
- (Increase)/decrease in trade and other receivables	**17**	**(6)**	(13)
- Increase/(decrease) in trade payables	**(75)**	**9**	35
Net cash generated by operating activities	**(49)**	**32**	92
Cash flows from investing activities			
Mezzanine finance facility repaid/(issued)	**3.305**	**(49)**	(650)
Net cash used in investing activities	**3,305**	**(49)**	(650)
Cash flows from financing activities			
Proceeds from borrowings	**-**	**54**	2,064
Re-payment of borrowings	**(3,372)**	**(20)**	(1,206)
Interest paid	**(63)**	**(25)**	(95)
Net cash (used)/generated by financing activities	**(3,435)**	**9**	763
Net (decrease)/increase in cash and cash equivalents	**(179)**	**(8)**	205
Cash and cash equivalents at beginning of period	**218**	**13**	13
Cash and cash equivalents at end of period	**39**	**5**	218

1. Nature of operations and general information

The principal activity of the Group is as an investment company investing in quoted and unquoted companies to achieve capital growth. The Group also holds a property development acquired by way of its principal activity. The properties are held for sale with rental income arising from short term lets.

Energiser Investments plc is the Group's ultimate parent company. It is incorporated and domiciled in Great Britain. The address of Energiser Investments plc's registered office, which is also its principal place of business, is 417 Finchley Road, London, NW3 6HJ.

Energiser Investments plc's shares are quoted on AIM, a market operated by the London Stock Exchange. The consolidated half-yearly financial report has been approved for issue by the Board of Directors on 30 September 2016.

The financial information set out in this half-yearly financial report does not constitute statutory accounts as defined in Sections 434(3) and 435(3) of the Companies Act 2006. The Group's statutory financial statements for the year ended 31 December 2015 have been filed with the Registrar of Companies and are available at www.energiserinvestments.co.uk. The auditor's report on those financial statements was unqualified and did not contain any statement under Section 498(2) or Section 498(3) of the Companies Act 2006.

2. Basis of preparation

This consolidated half-yearly financial report has been prepared in accordance with International Accounting Standard 34 – Interim Financial Reporting.

The consolidated half-yearly financial report should be read in conjunction with the annual financial statements for the year ended 31 December 2015, which have been prepared in accordance with IFRS as adopted by the European Union.

3. Accounting policies

The accounting policies applied are consistent with those of the annual financial statements for the year ended 31 December 2015, as described in those financial statements other than that stated below:

Critical judgements in applying the accounting policies
Key sources of estimation uncertainty
Fair value of profit on mezzanine funding arrangement
The fair value of the mezzanine funding arrangement includes estimates as to the timing and value of future cash flows and the underlying profitability of the development. The estimates are formed based on information provided by the developer. The Group believes that the directors' knowledge and experience in the sector means they are well placed to critically assess this information and to make conclusions as appropriate.

4. Earnings/(loss) per ordinary share

The earnings/(loss) per ordinary share is based on the weighted average number of ordinary shares in issue during the period of 43,787,956 ordinary shares of 0.1p (2015: 43,787,956 ordinary shares of 0.1p) and the following figures:

	Unaudited 6 months to 30 June 2016	**Unaudited 6 months to 30 June 2015**	Audited year to 31 December 2015
Profit/(loss) attributable to equity shareholders £'000	**(161)**	**20**	(167)
Earnings/(loss) per ordinary share	**(0.32)p**	**0.04p**	(0.38)p

Diluted earnings per share is taken as equal to basic earnings per share as the Group's average share price during the period is lower than the exercise price and therefore the effect of including share options is anti-dilutive.

5. Income and segmental analysis

	Unaudited 6 months to 30 June 2016	**Unaudited 6 months to 30 June 2015**	Audited year to 31 December 2015
	£'000	**£'000**	£'000
Segment result			
Investment activities:			
Change in fair value of investments	**—**	**—**	(1)
Administrative expenses	**(34)**	**(24)**	(48)
	(34)	**(24)**	(49)
Rental activities:			
Rental income	**60**	**54**	121
Administrative expenses	**(1)**	**(1)**	(2)
Fair value adjustment on investment property	**-**	**158**	102
	59	**211**	221
Operating profit	**25**	**187**	172
Finance Income	**—**	**—**	11
Finance costs	**(193)**	**(173)**	(358)
Fair value adjustment on interest rate swap	**7**	**6**	8
Earnings/(loss) before tax	**(161)**	**20**	(167)

	Unaudited as at 30 June 2016	Unaudited as at 30 June 2015	Audited as at 31 December 2015
	£'000	**£'000**	£'000
Segment assets			
Investment activities:			
Non-current assets	--	**1**	--
Current assets	**45**	**10**	3
	45	**11**	3
Rental:			
Non - current assets – investment property	**2,844**	**2,900**	2,844
Current assets – other	**15**	**11**	253
	2,859	**2,911**	3,097
Mezzanine funding arrangement:			
Current assets	**654**	**3,144**	3,977
	654	**3,144**	3,977
Total assets	**3,558**	**6,066**	7,077
Segment liabilities			
Investment activities:			
Current liabilities	**791**	**722**	1,053
	791	**722**	1,053
Rental:			
Current liabilities	**946**	**-**	999
Non-current liabilities	**1,316**	**2**	1,334
	2.262	**2**	2,333
Other:			
Current liabilities – other loan	--	**4,828**	3,132
Current liabilities – deferred tax on fair value adjustment	**165**	**92**	140
	165	**4,920**	3,272
Total liabilities	**3,218**	**5,644**	6,658
Total assets less total liabilities	**340**	**422**	419

The activity of both the investments and rentals arose wholly in the United Kingdom. No single customer accounts for more than 10% of revenue.

6. Investment property

	Investment Property £'000
Cost or fair value	
At 1 July 2015	**2,900**
Fair value adjustment	(56)
At 31 December 2015	**2,844**
Fair value adjustment	-
At 30 June 2016	**2,844**